

## NEWS SUMMARY

### Wilson to act on mercenaries

The Government is to-day expected to announce moves to end the recruitment of British mercenaries for the war in Angola—a war in which many Britons may have died. Mr. Harold Wilson told the Commons yesterday.

As civil servants worked urgently to see whether the law is sufficient to deal with the mercenary recruiting problem or whether fresh legislation is required, the Prime Minister was unable to confirm or deny the reported execution of 14 British mercenaries.

But he said: "From all the facts available it appears probable that tragic incidents, including the loss of life of a number of recruited mercenaries, have taken place."

Meanwhile, mercenary leader John Banks, a 33-year-old former paratrooper, who has fought in Biafra, Vietnam and Kurdish, spoke yesterday of a row between him and Security Advisory Services, the company which is sending Britons to fight in the Angolan civil war.

Mr. Banks said he had severed all connection with the business and was now trying to get the British recruits for the pro-West FNLA home. He claimed no knowledge of the 14 Britons who have been said to have been executed for refusing to fight.

## GENERAL

### Quake toll may rise to 50,000

The final death toll in the Guatemala earthquake could reach 30,000, a senior relief official said yesterday. Discovery of new destroyed villages has increased the official casualty total thus far to 17,500 dead and 40,000 injured.

One thousand blankets from Help the Aged left London yesterday in Britain's first aid contribution. Other supplies sent from Belize were reportedly turned away.

Last night troops were trying to maintain law and order. Five looters having been shot dead in the past 24 hours. The Red Cross warned that thieves, passing as medical staff, were inuring makeshift encampments to rob refugees. Page 4

## Ulster threat

A new security crisis, which has left nine people dead since the end of last week, was last night threatening the continuing attempts to reach political agreement in Ulster. Page 9. Dr. Tadeusz Herremans, the Dutch industrialist kidnapped last year by the IRA, is to return to Holland. Page 14.

## Inquiry halted

The public inquiry at Shirley, Yorkshire, into the Aire Valley road scheme has been abandoned by Mr. John Silkin, Planning and Local Government Minister, after nine attempts. Page 8

## Bernhard probe

The Dutch Cabinet yesterday set up an independent inquiry into the alleged \$1.1m. payment by Prince Bernhard by Lockheed. Back Page

## Skipper prince

Prince Charles yesterday took command of the 280-ton mine hunter HMS Brontë at Rosyth in Scotland. Page 8

## Briefly . . .

British Leyland Motors, U.S. importer of a variety of British-made cars, said it is recalling 911 Jaguar 1976 models for installation of two more non-return valves in the fuel system. Innsbruck Olympics. Britain's John Curry took the lead in the men's figure skating and seemed set for the Gold Medal. Page 2

## CHIEF PRICE CHANGES YESTERDAY

(Prices in price unless otherwise indicated)

### RISES

Caerd (Dundee) ... 35 - 5  
Channel Tunnel ... 60 + 10  
ERP ... 30 - 5  
NPK Ins. ... 80 - 7  
Clyman ... 56 - 5  
Westland ... 63 - 5  
Rotolane RST ... 62 - 6

### FALLS

Treasury 1976 ... 296 - 1  
Treasury 1976 12-15 ... 297 - 1  
Barclays Bank ... 213 - 13  
Beecham ... 240 - 9  
Becta ... 105 - 10  
Bats ... 3600d - 10  
Cater Rader ... 273 - 10  
Commercial Union ... 142 - 10  
Coustaloids ... 156 - 4

### Inflation rate still slowing despite new price reviews

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

Despite a fresh round of annual price reviews in British industry during January, there is every sign that the rate of inflation in the U.K. is continuing to decelerate.

At the same time, the picture given by the latest official retail price figures and up-to-date reports from the trade is that while the downward trend has been stopped, the volume of sales

remains very depressed, and January 1976, the wholesale output price index went up 1.6 per cent.

The general reading of the trend of the price and consumer spending statistics is that they are unlikely to move the Chancellor from the course he appears to have embarked on—namely a marginal stimulus to the economy this year.

The extent of the relief on personal tax rates in the Budget will depend on how low a figure the TUC is prepared to accept as the Stage Two incomes policy norm.

New indices for the wholesale prices of both raw materials and finished goods, leaving the factory gates show that, with the notable exception of food, price increases have certainly slowed in recent months.

The wholesale indices give advance warning of movements in the politically sensitive retail prices index, although they do not cover services, rates and other items which enter into the cost of living.

In January alone, the average prices of goods leaving the factory gates went up by 1.6 per cent. according to Department of Industry estimates. This figure in itself reflects

cent., compared with a 20.1 per cent. rise between December 1974 and December 1975.

In the three months November to January, the rise worked out an annual rate of around 17 per cent., compared with some 27 per cent. in the corresponding period of 1974-75.

Behind this deceleration lie

the tighter monetary policies which have been operating in the U.K. for a considerable time.

During January alone, a 1.6 per cent. increase in the average raw material price index was accompanied by another 1.6 per cent. rise in food material prices.

A major factor here has been what is being dubbed the "fish and chip" syndrome. Both the effect of the dry summer on potato prices, and the U.K.'s fishing problems probably need no further comment in this context.

The food material trend casts an unpleasant shadow over a general picture which must be pleasing to the Government as

preparations for the Budget and Stage Two of the incomes policy get under way.

They suggested there should be some analysis of the size of loans on the lines laid down in the Building Societies Act.

An order implementing the changes will be laid before the House and MPs will probably have an opportunity to debate

An indication of Government thinking was given yesterday when Mr. Shore told the House of Commons: "The whole report on the Department of Trade indicates clearly the need for much stronger regulatory powers, not only in the company sector generally, but specifically in the secondary banks."

The regulations require additional information to be given with the annual accounts of company, in particular in relation to dealings with certain foreign companies.

The report of the Department of Trade inspectors criticised the professional accountancy body was already inquiring into the criticisms the inspectors made of the auditors.

Michael Lafferty writes: Mr. Shore's remarks highlight the growing volume of criticism of

as a secondary bank, makes sub-

stantial loans to a property company. In some cases, although the deposit-taking organisation advances most of the money for a development, it does not have to give details in its accounts.

The inspectors also said that in the present regulations there was inadequate information about the size of individual advances, and it was therefore not clear from the accounts if substantial amounts were tied up in individual ventures.

They suggested there should be some analysis of the size of loans on the lines laid down in the Building Societies Act.

The report made three other suggestions to be covered in any alterations in the regulations. 1. Loans where interest is deferred should be shown separately. 2. More particular should be given of the period for which advances are made.

Loans to associated companies and to companies in which directors of the company are interested should be disclosed under appropriate headings.

Mr. Shore told the House yesterday that he would be looking much more carefully at the whole role of auditors as a result of the criticism which his department's inspectors have made of Harrold, Bannister and Co. (now part of Deloitte and Co.), the auditors in the London and County affair.

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Michael Lafferty writes: Mr. Shore's remarks highlight the growing volume of criticism of

the Prudential, with the London and County affair.

Mr. Murray declined to accept the statement as it stood since he had always understood that the report would be made available to all shareholders. All the other directors present then signed a document asking for his resignation.

Under the Newman articles, it is understood that a resignation was asked for would be valid, however unusual the procedure where a matter of policy was in question.

Mr. Murray said last night of the Newman Board's intention to publish the Schroder-Harman report: "I welcome it; it's what I've striven for since last July."

At a stormy special company meeting of Newman last July, shareholders narrowly approved

despite opposition from the Prudential and other institutions

The deal was attacked at that

### Currency unrest as Spain devalues

By Colin Millham

RECENT SPECULATION about a possible realignment of the currencies in the European "snake" gained further momentum yesterday following a devaluation of the Spanish peseta by 11 per cent.

Sterling fell to its lowest ever closing level against other major currencies as both the pound and the U.S. dollar lost ground to the stronger Deutsche

Mark and the West German mark and

Swiss franc.

The Bank of England's calculation of sterling's depreciation widened by 0.1 per cent.

The relatively bright raw material price picture has persisted and in the three months to January, industry's basic material costs went up on average by only 2.4 per cent.

In addition to fairly stable commodity prices, another key factor over this period was the relative weakness of the sterling.

But behind the average movement lies a much more adverse movement, in food material prices, which shot up 7 per cent. over this period.

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Mr. R. V. Atkins, an audit manager with Harrold, Bannister and Co. at the time of the firm's audit of London and County

Securities, says he accepts the reply which he has received from the L. and C. Inspectors to his recent request for amendment to the inspectors' report.

In their reply, the inspectors—Mr. Andrew Leggett and Mr. David Hobson—say they agree with the matters raised by Mr. Atkins in his letter but it is not open to them to amend their report.

In any event, we are confident that no one could construe our report as containing any criticism of your

Parliament, Page 12

### TUC wants £2bn. boost to economy

BY JOHN ELLIOTT, LABOUR EDITOR

A BID for the Chancellor of the Exchequer to encourage a "balanced growth" in Britain's National Enterprise Board.

These items, together with £250m. extra on higher pensions, total approaching £1,000m.

These proposals are laid down in drafts for the TUC's annual economic policy review which are to be considered tomorrow by the TUC's economic committee.

They stand alongside proposals reported on Saturday for methods to be developed gradually for fixing a national salary ceiling of £20,000 a year and of reforming Britain's banking and industrial investment systems.

At the same time the draft face against a "consumer-led policy" document also accepts the TUC's annual economic policy review which is to be considered tomorrow by the TUC's economic committee.

It is being won, and the Government's target inflation rate of single figures will be reached by the end of 1976.

While praising the "unity of purpose and method" between the Government and the TUC, the TUC will also be warning the Government against expecting any commitment to detailed figures for the next stage of the pay policy before late spring or early summer.

They are unlikely to want to go much further in the immediate future than the suggestions in their draft that an inflation target "well below 10 per cent." should be achieved within a year. This is despite suggestions that Mr. Denis Healey, Chancellor of the Exchequer, would like them to be more specific before he makes his Budget.

Confirmed on Back Page

### Secondary bank rules to be tightened up

BY JOHN HUNT

THE PROTECTION of Depositors (Accounts) Regulations 1963, the accountancy regulations which cover the secondary banking sector, are to be tightened up as a result of the findings of the London and County Committee and the criticism made in the subsequent report by inspectors of the Department of Trade.

Mr. Peter Shore, the Trade Secretary, is now working out amendments to the regulations with officials of his department. No new legislation is necessary as the regulations were enacted under the Protection of Depositors Act.

An order implementing the changes will be laid before the House and MPs will probably have an opportunity to debate

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## AMERICAN NEWS



The destroyed bridge at Aguas Calientes outside Guatemala City. Landslides and collapsed bridges are hampering rescue operations to the stricken countryside.

## Air France to open Concorde Caracas route

By Michael Donne, Aerospace Correspondent

AIR FRANCE is to open a new Concorde route between Paris and Caracas, Venezuela, on April 9. This will be the airline's second Concorde operation, the other being the service to Rio de Janeiro, via Dakar, opened on January 31. When British Airways began its own service between Heathrow and Bahrain, it was reported from Melbourne yesterday that the Victoria State Government, in the light of last week's U.S. decision to give Concorde a 16-months' trial at Kennedy and Dulles Airports, has recommended a similar experimental period of 13 months' operations into Melbourne's Tullamarine Airport.

## Guatemala toll may be 17,500

By Alan Ridings

THE DISCOVERY of new Indian villages destroyed by last Wednesday's earthquake to-day increased the official estimate of casualties in the Guatemala City disaster to over 17,500 dead and 40,000 injured.

But, with at least 25 mountain villages still incomunicado by road and not yet reached by helicopter, the final death toll is still expected to rise. "We may be nearer to the relief supplies by Guatema-

la never know accurately," one malan soldier involved in the Guatemalan Army officer said, rescue operation.

In some areas, first aid units have managed to ease the immediate crisis. In the badly-damaged town of San Juan Zacatepeque, which I visited this morning, Guatemalan and Honduran doctors have already treated the worst wounded.

Despite the tendency for local Government's to exaggerate disaster casualty figures in order to attract foreign aid, U.S. Army experts here today estimated the number of dead at over 15,000 and agreed that this too might be conservative.

But in the town of San Martin Jilotepeque, where estimates of the death toll vary between 1,200 and 3,000, thousands of wounded

from nearby Indian settlements are still awaiting treatment. This is an area that Oxfam has chosen for a major aid effort.

In Guatemala City, the situation returned as close to normal as possible to-day, with many shops re-opening, traffic jamming the streets and Indian fruit markets covering the pavements.

The city's hospitals also seem to have overcome the immediate emergency and are now receiving wounded from the country.

In the poor slum districts, worst hit by the earthquake, there are some reports of stealing by organised gangs wandering among the tenement cities that have sprung up to shelter refugees. However, despite an unconfirmed report that police have looted yesterday, the situation in the city has been astonishingly calm so far.

Coffee prices up, Page 33

## WORLD TRADE NEWS

### EEC access 'vital to N. Zealand'

By Margaret Hughes

CONTINUED access to the Common Market, now that Britain has decided to remain a member, is a "matter of life or death" to New Zealand, Mr. Brian Talboys, the Deputy Prime Minister, asserted in London yesterday. Mr. Talboys, who is also Foreign Affairs and Overseas Trade Minister, is the first member of the new National Government to visit Britain.

The Government, Mr. Talboys said, was working hard to ensure that New Zealand has "a continuing right to supply significant quantities of butter, either to Britain or the EEC market as a whole." Total elimination of New Zealand dairy products from the market would cause "irreparable harm" to the domestic economy and would also undermine New Zealand's role within the Pacific area and South East Asia.

He also felt that it would "do no good to the EEC" emphasising that New Zealand trade with the EEC is a two-way affair. EEC exports to New Zealand last year totalled \$N2780m. against exports from New Zealand of \$N2670m. This, Mr. Talboys pointed out, left a deficit of \$210m., "which is more than twice the value of New Zealand's dairy exports to the Common Market."

He confirmed, however, that New Zealand has been forced to accept that there will be a progressive decline in its butter-shipment quotas to the EEC after 1977 (when the present arrangement expires) until 1980 when they will again be reviewed. New Zealand would have preferred fixed quotas but, Mr. Talboys said, it had been advised, and indeed found, that "more degressively was non-negotiable."

Instead, New Zealand is now proposing an adjustment of these quotas which gives the same shipments total over the three-year period (1983,000 tons) and the same yearly average. But it would allow a bigger quota for 1980, offset by smaller shipments in the earlier period. The EEC proposal for 1980 is 113,000 tons, while New Zealand wants to lift this to 117,000 tons.

### EEC all-clear on suits duty

By Our Industrial Staff

THE DEPARTMENT of Trade disclosed last night that the EEC has given Britain the all-clear to impose a provisional anti-dumping duty on imports of East European suits. If a prima facie case can be made that suits are being dumped, a duty can be levied pending a full investigation. No evidence exists, the Department said, that such suits offered to U.K. retailers for as little as £1.50 have yet been imported to Britain.

The issue was highlighted by MPs representing textile constituencies who warned of the dangers that a sharp upsurge in imports would hold for the British industry.

The Department of Trade pointed out that textile imports are subject to surveillance licensing which would indicate whether any increases were in the pipeline. In addition, a licence is required for imports of man-made fibres and this could be refused if it were thought the effect would be harmful to the British industry.

### Spanish industry hopes for devaluation benefit

By Quentin Peel

THE PRIMARY aim of Spain's 1 per cent. devaluation yesterday will be to boost exports in an effort to reduce the country's huge trade deficit, running at \$7bn. in 1973. As the same time, it is hoped that the move will attract a substantial increase in tourism and consequent foreign currency earnings.

But the devaluation is unlikely to provide much support for the agricultural sector, which still makes up the most important part of Spain's visible exports. Out of total exports to the U.K. in 1973, fruit and vegetables made up £86m. and wines some £3m.

EEC tariffs provide a severe restriction on the expansion of agricultural exports, with strict restrictions for oranges, tomatoes and cucumbers, and also restrictions on wine imports.

However, the U.K. is still covered by transitional tariffs, which have stayed well below the levels in the rest of the Community, because of the prospect of an overall EEC-Spain trade pact. British tariff levels have been allowed to remain at the level the trade negotiations are expected to set when they are concluded, leaving Spanish exporters considerably more opportunities in the U.K. market.

But Spanish produce must also compete with Italian output, which has benefited even more from the effective devaluation of the lira.

DEVALUATION of the peseta could possibly stop the rot as far as British tourist traffic to Spain is concerned. Market reports in recent weeks have suggested that the overall market for holiday traffic from the U.K. abroad has been relatively healthy, booking to Spain have fallen appreciably.

Obviously it will have an effect on our exports," Mr. A. N. Vassilis, chairman of the American Chamber of Commerce, said.

Meanwhile, British exporters yesterday adopted a wait-and-see attitude, unwilling to commit our goods, as I think they will play a part until they had seen what sort of great role."

The principal advantage of the devaluation was included in. Severe restrictions in the industrial sector, which has been steadily growing in importance. In 1973 Spain's exports of machinery to the U.K. totalled some £33.5m., while textiles and footwear amounted to some £15m. In those markets price competitiveness is likely to be more significant than for agricultural goods.

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Cut in cost of holidays

By Arthur Sandles

Last night Cosmos Tours, one of the "big three" British tour operators, said that the devaluation "will benefit unquestionably the Costa Brava, Benidorm and Majorca." Mr. Stevenson Pugh, director of sales, said: "These are traditional 'pop' areas for British holidaymakers, which have been as much as 50 per cent. down in forward bookings for the summer this January, compared with the same month last year."

But more than 30m. foreign tourists visit Spain each year and many of them will be in a somewhat better position than the British. The devaluation should be passed on to the Germans and Scandinavians in full.

### EXPORT CREDITS

### Harmonisation hopes revived

By David Currie

THE VEXED question of bringing order into international competition on export credit terms is to be raised at this month's meeting of Common Market Finance Ministers. The Dutch Government insists on putting the question on the agenda or the grounds that recent elaborations to some national export credit insurance arrangements are making a bad situation worse.

The Dutch initiative comes after a judgment of the European Court of Justice towards the end of last year which put export credit questions firmly within Community competence, rather than subject to negotiation by individual states with the Commission not a principal in the negotiations. The verdict immediately raised hopes that the long-standing, and up to now abortive, effort to reach a gentlemen's agreement on controlling export credit terms between the U.S., Japan and the EEC could be resumed with a better chance of success. The last attempt to reach agreement had founded in May when the French and, to a lesser extent the Japanese, declined to accept the framework of member governments to munify-managed negotiation.

It worked out in a Brussels negotiation session. Some importance has been attached to the Dutch request because of French moves since the court judgment to reach a separate agreement with the U.S. Apparently hoping to circumvent the question of Community competence, the French Government approached the U.S. to settle the points between them in the hope that the two governments, together with the Japanese whom the Americans approached, would be able to make unilateral declarations on common credit norms. The Commission learned of the French initiative, it appears, through the Japanese who inquired as to what was to be done.

In the light of the court judgment the Commission has itself asked the Council to give it a negotiating mandate for the purchasing country. Previous negotiations have founded on the failure to agree on interest rates (the Americans tend to prefer high rates for long-term credit and economy of the purchasing country) and rates for shorter maturities) and on regulation of the system of mixing export credit with development aid. The Commission is hoping that the French Finance Ministers at their approach to the U.S. indicated February session.

Even if the Commission gets which may persist into a Com-

pany official, were abuses when donations were collected from employees of the Federal Election Commission, the agency created last year to watch for violations of the new laws. "They used to have to whisper about politics in the board room. Now it's perfectly all right for them to talk about contributions openly."

### Sen. Bensten may drop bid for nomination

By Our Own Correspondent

WASHINGTON, Feb. 9. IT LOOKS as though a Democrat is about to drop out of the Presidential nomination race. Senator Lloyd Bensten from Texas said this morning that following his poor showing in the Oklahoma State caucuses on Saturday, he was seriously considering whether there was much point in staying in the contest.

Sen. Bensten, a generally conservative Democrat, finished at best third in Oklahoma, virtually tied with Governor George Wallace of Alabama, with about 11 per cent. of the delegates committed to him.

He had said before that he had not done better than third in Oklahoma, where he had fished a good deal on money and effort, then his chances were slim. His poor performance comes on top of a similarly dismal result in the Mississippi caucuses two weeks ago.

Sen. Bensten had never been considered a strong candidate. It was thought that his principal aim was either to play a broker's role in the national convention in July or to acquire sufficient publicity to make himself a possible Vice-Presidential choice.

Originally he had hoped to present himself as a rational middle-of-the-road Democrat who might neutralise the power in the south of Governor Wallace. However that mantle has now fallen among the declared candidates on to Mr. Jimmy Carter from Georgia, who has a crucial battle with Governor Wallace in the Florida primary on March 9.

The latest result from the Oklahoma caucuses still put Mr. Carter and former Senator Fred Harris from Oklahoma almost at dead level, but with the approximately 20 per cent. that both have gained, well behind the uncommitted state organised by the popular State Governor, Mr. David Boren.

The Government also decided to summon as witnesses before the Diet some of the men so far named as agents of the U.S. company or recipients of its pay-offs.

The principal character in the drama, Mr. Yoshiaki Kodama, has remained silent and uncontactable up to now. But another man, who could hold a clue to the scandal building up around the business and political establishment, was believed to be preparing to return to Japan from Hawaii. He is Mr. Kenji Osano, a self-made yen multi-millionaire with interests in travel and tourism who happened also to be close to the association of ex-Prime Minister Kishi.

The moratorium suggestion was made by General Miguel Angel de la Flor, the Peruvian Foreign Minister, at last month's meeting of UNCTAD in Manila. It has been taken up by SEDA, the Latin American Economic System at its recent meeting in Caracas.

Dr. Kisinger is to start his out-posted tour of Latin America on February 16 by visiting Caracas. He will touch down at Lima, Brasilia and São José de Costa Rica before returning to Washington on February 24.

### CAMPAIGN FINANCING IN THE U.S.

THE FAT cats are back, a millionaire political contributor to the campaign, who happened also to be close to the association of ex-Prime Minister Kishi.

Mr. Osano, who is named by Mr. Kishi's vice-chairman, Mr. Kotschik, as having been a Lockheed agent, has so far emphatically denied involvement in the aircraft bribery case, although he did this afternoon withdraw an earlier denial that he had even met Mr. Kotschik.

Japanese public opinion, which turned strongly against Mr. Tanaka before he resigned in

### THE LOCKHEED PAYMENTS

## GAO worry about effect of disclosures on sales

By JUREK MARTIN, U.S. EDITOR

THE General Accounting Office, negotiator with its leading bankers a major financial reconstruction package, including the conversion of bank loans and certain debentures into Pre-Dr. Kissinger, the Secretary of State, also opposed full disclosure on the ground it might harm American policy interests.

The GAO takes no merit of the argument it does state that even on forecasts not affected by foreign debts, Lockheed does not argue that the extended period provided by law, considering the negative factors above.

A GAO official was to stress that the situation is fluid and that a complete refinance of the aircraft's debts is not affected by the legal norms. In Bogota a special prosecutor was appointed to investigate alleged bribes paid by Lockheed to Colombian military officials.

The GAO also noted that the head had both revised its estimates of sales worldwide and production schedules referred also to the cost of the aircraft's development. The shareholder meeting has already been postponed three times because of the dispute which is still before the court in Washington.

Lockheed's position is that it may lose sales if it is forced to reveal whom it has paid off. material losses in the

between the company and the Securities and Exchange Commission over the extent of disclosure about the company's foreign payments that Lockheed's ability to repay its debts will have to go into proxy statement. The shareholder meeting is scheduled for April 1978. The latest result from the Oklahoma caucuses still put Mr. Carter and former Senator Fred Harris from Oklahoma almost at dead level, but with the approximately 20 per cent. that both have gained, well behind the uncommitted state organised by the popular State Governor, Mr. David Boren.

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The truth about Mr. Tanaka's involvement or about that of other senior LDP leaders, will not be known until the Government obtains further evidence from Washington or makes progress with its own investigations. In the meantime, however, various consequences of the Lockheed revelations can be identified.

First, the public image of the Japanese Conservative leadership will be damaged. In Japan will come to half as the Government in the Lockheed case, with the essential Bills such as Budget.

Third, Japan's political relationship with the U.S. is certain to come very heavy fire from the Opposition.

Finally, there will be difficulties in the sale of aircraft for the next build-up plan of a Defence Agency, including choice of an anti-submarine craft, for which the PCS Orion had come as the obvious choice.

The Lockheed scandal can also be seen as by worst place of bad luck to come the way of Mr. Tanaka. The truth about Mr. Tanaka's involvement or about that of other senior LDP leaders, will not be known until the Government obtains further evidence from Washington or makes progress with its own investigations.

Mr. Tanaka, who negotiated the normalisation of Japan's diplomatic relations with Peking, is definitely not a pro-Taiwan man, and has been on correspondingly poor terms with the far right of the Liberal Democratic Party.

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### Fat cats with nine lives

By Gordon L. Weil

THE FAT cats are back, a millionaire political contributor to the campaign, who happened also to be close to the association of ex-Prime Minister Kishi.

Mr. Griebe, in charge of the Chamber of Commerce to encourage the use of coercion, has argued that people ought to know who gives how much to whom for what. When the abuses of the 1972 campaign became known and it was clear that large corporate and industry-wide interests had given

donations to favoured candidates. For example, Mr. Richard Mellon Scaife, a leading member of the Mellon family that created both the

## OVERSEAS NEWS

IPLA sets sights on  
Unita-held Angola ports

NE BERGER

ING THE taking by side the remaining FNLA forces forces yesterday of the in the north. The taking of Huambo by the Unitas capital of MPLA forces and their Cuban allies on Sunday morning was confirmed today both in the long before three days: the cities of Luso and Kinshasa and Luanda by Unitas spokesman. No independent observers have yet made the journey from Luanda to Huambo to-day, but the MPLA is making efforts to call for national unity and patriotism behind the lines of their positions along the Luanda Railway, now that it has gained military control of the Umbundu tribes' Unitas heartland.

National radio broadcasts are presenting the MPLA victory as a victory of the Angolan people, calling for "patriots" to lay down their arms if they were still with FNLA or Unita, or join the fight for national independence against "South African, Zairean and European mercenaries" captured by MPLA.

MPLA military spokesman Commander Ju-Ju said that the strategic crossroads of Alto Hama, which opens the way to Huambo, had been taken by

As for Silva Porto, the capture of Caueinga by MPLA, announced on Saturday, opens the main road to the city, where Unita leaders fled from Huambo, and where a major airfield makes speedy air evacuation to neighbouring Zambia possible.

In the north, journalists were to-day visiting Santa Antonio do Zaire, taken over the week-end and commanding control over the Zaire river estuary. There are as yet no confirmed reports of the state of the oil installations at Santo Antonio. The oil-fields provided 75 per cent of Angola's domestic crude requirements before the war.

The new Government can hardly claim credit for the revised labour laws to weather, but most observers cut out abuses.

Map of Angola showing the location of Huambo, Luso, Alto Hama, Caueinga, and the Zaire river estuary.

## Unita admits Huambo fall

LUSANA, Feb. 9.

Administrative capital of the Angolan Unitas movement, Huambo, fell to an overwhelming force, Unitas said here. It was announced by Mr. Ngumba, "foreign secretary" of Unitas.

Ngumba told reporters: "Morning we received a message from the headquarters at Silva Porto that at the Knesset that an overwhelming force of troops with supporting aircraft had entered all the towns. Unitas would enter a new phase of guerrilla warfare with the defences of 20,000 troops, he said."

To the east, Unitas had retreated to Vila Nova, about 30 miles from Huambo, he said. They were supported by more than 70 armoured vehicles, including Soviet-built T-34 tanks. There were more than 20 helicopters with 20 mm cannon and ground rockets, he said.

Also said the attacking force used several Fiat and MiG and other conventional aircraft, and a large contingent of medium and heavy including Stalin.

## Sharon-Peres quarrel may have been resolved

DANIEL

Between Israeli Prime Minister Yitzhak Rabin and Minister Shimon Peres, request became unrealistic. Some alterations had also been made because of an evaluation that there would be strong opposition to the supply of some items to Israel from the American side.

The Prime Minister, at both the original and the amended lists had been submitted to the Knesset.

The amended lists had been moved both by him and Defence Minister and that statement during a back-briefing with Israeli constituents in Washington had intended as criticism of the Defence Minister or the establishment as a

report from Washington by a "senior source" as that the lists had been moved, had contained too many statements and had failed in distinguishing between internal discussions and statements abroad; that the Premier was unable to stand up to conditions of stress and pressure and was therefore unfit to be Prime Minister at a time when Israel is and will be facing conditions of stress and tension.

The last was a clear reference to reports that have circulated for years that Rabin had had a

motion of no confidence.

It is not clear whether the original lists had been moved in view of the fact that the cost of equipment in the period immediately preceding the six day war when he was priorities so that the Chief of Staff.

## hitlam lashes Governor

ENNETH RANDAL

Leader of the opposition, Sir Whitlam, to-night described Governor-General Sir Kerr as a "dishonourable scoundrel" who had "coup d'état" during the crisis last year, "conducted by the chief justice." Whitlam made the attack a nationally-televisioned

— his first major

since the Labor

crushing defeat in the 13 elections.

Parliament meets for the first time next week and it is expected that the Governor-General will be boycotted by PAs and Senators.

Whitlam admitted that his

of Sir John Kerr was

strong words. ("I

the ABC will use

his interviewer.)

They are accurate words." Sir John deceived me, he had lied and worked for me. There was a coup d'état last year, Australia's clamp-down and investigations

have failed and this has come four days after a man was

ed our standing in the Commonwealth,"

said his Labor

Michael Tingay.

Cairo clampdown

The blackmarket shopping area in central Cairo was cordoned off yesterday by police and security

men, and 14 shops were closed

after checks on the misrepresentation of the origin of goods. The system has been clamp-down and investigations

have failed and this has

come four days after a man was

ed our standing in the Commonwealth,"

said his Labor

Michael Tingay.

## BANGLADESH

## Smack of firmer government

BY KEVIN RAFFERTY, RECENTLY IN DACC

THE POLICEMAN near the agreed that the martial law In addition, General Zia himself has promoted a family planning campaign throughout Bangladesh. In his speech, he said: "We are still trying to meet the needs of the population to double the size of England and Wales by the turn of the century. The Government, run by a man who has been used to giving orders when even trivial matters were subject to corruption and long delay before the matter came to the attention of the Sheikh himself. There is no sign of corruption about General Zia. One of his acquaintances of long-standing told me that some years ago the General had borrowed the equivalent of £23 for house furnishings which he was still paying off at £1.85 a month. He had been corrupt he could have repaid in a trice in cash or kind, using his privileges as chief of staff.

Other things have changed since the time when Sheikh Mujib was in power. Who impressed the foreign observer is often the superficial. The cycle rickshaws, one of the main means of transport for Bengalis rich enough to afford transport, are forced to use cycle tracks where they are available instead of spilling all over the road. The three-wheeled scooter rickshaws or baby taxis have newly fitted meters. Police make it safe to wander about at night.

Elsewhere on the southern front, there are other indications that MPLA forces may be near Benguela and Silva Porto (now called Bie). Radio Benguela is reported to have suspended news bulletins and be playing music only.

As for Silva Porto, the capture of Caueinga by MPLA, announced on Saturday, opens the main road to the city, where Unita leaders fled from Huambo, and where a major airfield makes speedy air evacuation to neighbouring Zambia possible.

In the north, journalists were to-day visiting Santa Antonio do Zaire, taken over the week-end and commanding control over the Zaire river estuary. There are as yet no confirmed reports of the state of the oil installations at Santo Antonio. The oil-fields provided 75 per cent of Angola's domestic crude requirements before the war.

The new Government can hardly claim credit for the revised labour laws to weather, but most observers cut out abuses.

General Zia has endeared himself to western countries by showing more favour towards individual initiative and private enterprise. His Government has promised to pay compensation to the owners of industries that corrupt politicians had made. The comparison is a tempting one but there are big differences, quite apart from the fact that General Ayub later provoked a costly war with India in 1965 and built up a greedy and not corrupt military machine.

For all his admirable qualities, General Zia has not had the experience of administration or policymaking that General Ayub had had in 1965. Politically he has worked hard to secure a stable base for the Government.

The most obvious potential source of opposition is in the army, and there was at least one challenge to General Zia's authority on December 23, when he tried to banish the tanks that had stood around Dacca since

the moment the right wing groups from the main stack of 20.

With or without elections, Bangladesh may find life difficult to retain power when they without a strong and popular elected leader: with all his faults, Sheikh Mujib Rahman could claim that no other politician could match his national standing or political stature and ability.

## Law and order

In the circumstances, General Zia may find it easier and in the short term better for Bangladesh to retain power, though that would almost certainly meet with opposition from his family who are quick to remind him that he is only a bullet away from death.

The new Bangladesh Government still has a lot to do. Practically everyone I met praised the improvement in law and order and the measures to stamp out corruption. Yet in Dacca I chanced to meet a British volunteer who had gone down to Canning port with the safe delivery of £20,000 worth of munitions. When he arrived he was told that three of the crates appeared to have been mislaid.

Only when he went round himself with them were the three "missing" crates discovered, out

to be a different matter. At the of sight but not too far away

had stood around Dacca since

the moment the right wing groups from the main stack of 20.

## Gas

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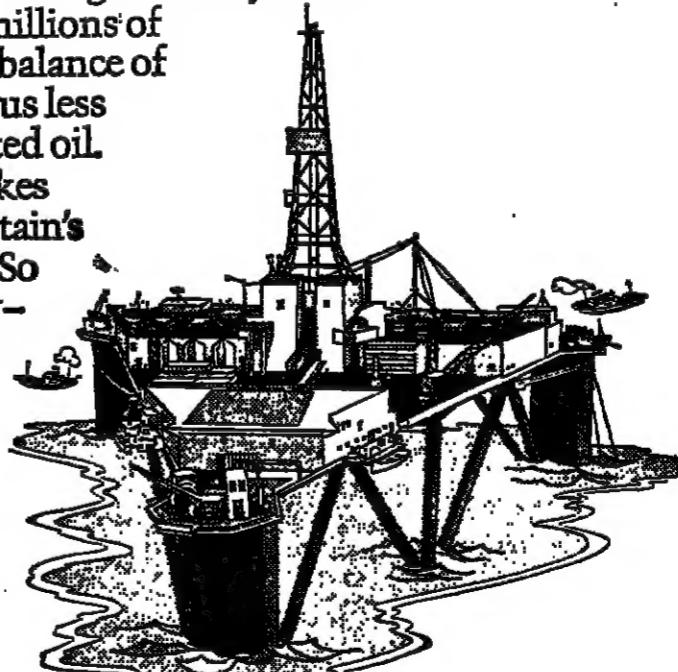
The supplies of natural gas so far discovered (and which Britain has been enjoying for about eight years now) will last Britain for a very long time to come—at current rates of usage.

And, with the firm expectation of further significant finds in the North Sea and around other parts of the coast, Britain can look forward to enjoying the unique benefits of this clean, efficient fuel into the next century.

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All of which makes natural gas one of Britain's most precious assets. So please use it carefully—it's much too good to waste.



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- 6 Ask at your local showroom for further information about how to save gas—and save money



BRITISH GAS

## EUROPEAN NEWS

Portuguese military 'to surrender power'

LISBON, Feb. 9. THE PORTUGUESE Armed Forces have handed the five main political parties a draft constitutional pact which confirms civilian rule for the next four years, party officials said here to-day.

The revised military draft abandons previous demands that the Armed Forces' Council of the Revolution should retain powers to override future civilian Governments.

Dr. Francisco Sa Carneiro, secretary-general of the Centrist Popular Democratic Party (PPD), told Reuter last Friday that the Armed Forces were no longer insisting on the right to veto Government legislation or choice of Prime Minister.

The Council of the Revolution will still have a limited role as constitutional watchdog, but its powers will be largely limited to those of a consultative Upper House of Parliament.

Reuter

## New Lisbon loan likely

BY RUPERT CORNWELL

THE BANK for International Settlements is understood to be first to be approved by the IMF Executive Board—thus giving the gold-backed loan to Portugal to national governments closer following the credit made available last year.

Although a BIS spokesman declined comment, central bankers attending this month's regular discussions here pointed out to-day that such a move would be a natural follow-up to the \$250m. loan to Lisbon recently by the Bundesbank and a similar \$50m. credit from the Swiss National Bank.

The new loan might be as much as \$250m. France is also known to be considering like action to bolster Portugal's depleted currency reserves. At the end of November these totalled \$1455m. of which \$1142m. were in gold.

The proliferation of such borrowings underlines the growing dilemma on gold facing the Governors here—torn between the widespread interest in keeping bullion at, or at least around, its present level of \$130 per ounce, and the threat of IMF sales as agreed in Jamaica in January. It now looks as if the first sale of gold designated to finance the new Trust Fund for the poorest countries has been put back.

One Governor here doubted the spokesman's denial of an imminent mark revaluation from the Bank of Portugal.

Reuter

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Sal. Oppenheim jr. & Cie.	Orion Bank	Pictet International Limited
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February 10, 1976

## New role for Luns in cod dispute

By David Buchan

ONCE AGAIN Dr. Joseph Luns, Nato's Secretary General, has been asked to mediate in the fishing dispute between Britain and Iceland. At Britain's invitation, Dr. Luns will arrive in London to-morrow for talks on the issue with the Foreign Secretary, Mr. James Callaghan, and the Agriculture and Fisheries Minister, Mr. Fred

Dr. Luns will be told of the details of the voluntary restraint that British trawlermen have now agreed to impose on their catches in Icelandic waters. Thus armed with the details of the conciliatory gesture, Dr. Luns—so it is hoped in Whitehall—might then try to get the Icelanders to resume talks without harassment of British trawlers by Icelandic gunboats. Dr. Luns stage-managed the start of the last round of talks in London last month, which ended in disagreement.

But the Icelandic Prime Minister, Mr. Geir Halgrimsson, yesterday reiterated. In Reykjavik, he said that no talks could be held while British warships stayed in Icelandic waters. A Foreign Office spokesman said yesterday: "Although we are taking this step, we continue to doubt whether the Icelandic government is able to reach any settlement."

FAY GJESTER writes from Oslo: Norway would like to negotiate with EEC members one at a time about Norwegian plans for a 200-mile economic zone. Mr. Jens Evensen, the Fisheries Minister, said in a radio interview to-day. He stressed, however, that the Government would be prepared to negotiate with the Nine as a group, through the EEC Commission, if the EEC Ministerial Council decided on that course.

Mr. Evensen was commenting on Mr. Roy Hattersley's recent statement that from now on Norwegian-EEC negotiations on fisheries questions would have to be conducted through the EEC Commission in Brussels.

## Slight recovery in Europe's demand seen

BRUSSELS, Feb. 9. THE EUROPEAN Common Market forecast a mild economic upturn in 1978 but warned that it will be hard to slow down inflation. Signs at the end of 1976 pointed to "some pick-up in demand, some renewed stockbuilding and a certain normalisation of consumer behaviour," a Common Market report said.

It predicted a "progressive improvement" in 1978, with an end to the decline in business investment, a possible slowdown in wage increases and an overall growth rate of 3 per cent, compared to the 2.5 per cent fall in 1975 in the nine Common Market nations.

But it said that "it will be increasingly difficult, at least for the Community as a whole, to reduce inflationary pressures any further," even though inflation "has not yet been brought down to an acceptable level." It predicted "substantial" increases in the costs of energy, food and industrial raw materials.

Despite this, it said, the Common Market nations should follow an "expansionary" monetary policy.

UPI

## EEC, Canada to discuss comprehensive trade pact

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, F.

EEC FOREIGN Ministers to-day held talks with Mr. Pierre Trudeau, the Prime Minister, who has been formally given the go-ahead to which the Canadians have been seeking since 1972, will have to officially open an EEC office in Ottawa.

Meanwhile, the Council approved a Community operation agreement. The pact should go beyond traditional operation to help see between the Community and a various forms of economic major industrialised nation and co-operation, including joint ventures in Canada.

Dr. Luns and his team project to extract pelitic iron-ore from mine at Fins Lake, British Steel Co.

British Steel Co. (International) Limited, owned subsidiary of the

timetable for the opening

share in the new company will be formed to carry

out a three-day official visit to Canada starting on February 18. He is to

BY REGINALD DALE

BRUSSELS,

EEC Foreign Ministers to-day would have a total of 361 seats, against the 355 proposed by the Parliament itself. seats each country should have in the new European parliament and the numbers for smaller countries like Ireland would marginally increase. Germany would have 74 seats, Britain 68, Italy 67 and France 64. Provisions for the table now range from a Parliament of 284, advocated by France, and the 384 seats suggested by the Irish.

## Welsh MP takes up cause of Breton nationalist

BY ROBIN REEVES

STRASBOURG,

The British White Paper on the elections has still not been published, but British officials to-day said the Government should be able at least to agree on the size and composition of the Parliament without having to wait for the debate in the U.K. on other aspects, such as the size of constituencies and voting methods, to be completed. To-day's main new development was an Italian compromise proposal under which the new Government would give "provinces" no

case under attack from British movements in Brittany. October last year, war intervention of the Brussels Commission, insisted voting methods to be completed. principle of the d

Government and an other prominent members of non-case was sub judice.

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February 10, 1976

che 11 no 156

# to do with Soviet conspiracy traditional begins Belgrade

JUL LENDVAY

LIST of a series of major trials of pro-Soviet conspirators in the Bosnian city of Banja Luka are expected also to begin in the near future. All these groups and contacts with the exiles in Eastern Europe are popularly called "Cominformists." As the Cominform was

ur accused include Mr. Tito, 53, who after the Second World War was Deputy of the Republic of Mr. N. Stefanovic, a chief editor of Tanjug, a news agency and two persons. All four were sentenced to prison after the Tito-Stalin split in 1948. The four men tried with plotting to Yugoslavia under "foreign" and of having contacted

Stalin exiles in Kiev, Budapest and to some reports also help

ally they inquired the Soviet Union would be regarded as an unequivocal warning to Moscow that the Yugoslavs are treating the pro-Soviet elements as traitors. Yugoslavia, a group of Kosovars, which has a mixed population, were sentenced to prison terms ranging up to 15 years. They were accused of separatist activities aimed at splitting the province, together with parts of Macedonia and Montenegro, from the Yugoslav federation. The trial has further trials against Soviet conspirators in the capital of the autonomous province of Vojvodina, and subjected Albanian-Yugoslav relations to renewed strain.

## Romanian orthodoxy

JUL LENDVAY

VIENNA, Feb. 9. In a speech to the Local Councils the party leader, Nicolae Ceausescu, spoke of the need for revolution. The Romanian leader stressed that evolutionary changes would be unthinkable, while a "uniform planned direction" of society since otherwise reactionary forces in the name of a so-called "pure democracy" would only sabotage the building of a new society.

The Romanian leader also stated that nothing else is by the capitalist class, without referring to this sacred dogma by the French Communist Party, Mr. Ceausescu said. The meeting, hosted by the Finnish Centre Party, and attended by 33 delegations from 22 European countries, stated its full support for the principles laid down at the European Security Conference.

## EUROPEAN NEWS

### Waldheim sees Cyprus talks delay

UNITED NATIONS Secretary-General Dr. Kurt Waldheim warned in Canberra yesterday that the next round of the Cyprus negotiations, due to open in Vienna next Monday, could be delayed by difficulties in framing an agenda, writes Kenneth Randall.

"I hope, but cannot guarantee that the meeting will open on time," he said at a National Press Club meeting. Dr. Waldheim will fly to Europe from Manila for the meeting later this week after his brief tour of Pacific countries. He said that the problems being encountered in 1948, the term is used were "very complex."

Soviet Jews

The number of Soviet Jews emigrating to the U.S. dropped from 622 in 1974 to 585 in 1975, according to figures released by the American Embassy in Moscow yesterday. The 6 per cent drop was in line with official Soviet claims of a smaller exodus of Jews to Israel last year.

### German living costs

The West German cost of living index rose 0.8 per cent in January from December to stand 5.3 per cent. above 1975. The Federal Statistics Office in Wiesbaden said, Reuter reports.

### Iron, steel output

West German crude steel and pig iron output in January rose from December but remained below year-earlier levels, the Federal Statistics Office in Dusseldorf said yesterday. Crude steel production on January was 2.24m. tons, against 2.67m. in December and 4.19m. a year earlier, AP-DJ reports.

### Italian production

Italy's industrial production index, base 1970, fell in December to 103.9 from 109.3 in November, but was 0.6 per cent. above December, 1974, according to provisional figures from the Central Statistics Institute (Istat), Reuter reports.

### Arms cut call

A three-day meeting of European centre and far-right parties has ended in Helsinki with a call for cuts in European armed forces and a nuclear weapons ban, Reuter reports. The meeting, hosted by the Finnish Centre Party, and attended by 33 delegations from 22 European countries, stated its full support for the principles laid down at the European Security Conference.

## BONN'S POLITICAL PARTIES

# On an unstable see-saw

BY NICHOLAS COLCHESTER, BONN CORRESPONDENT

THE GOVERNMENT of one of nor has the Communist Party, the West German Federal states falls because, in circumstances of political life in the universities the electorate. The result of the recession has been a migration towards the centre. The result is like a seesaw with its entire crew gathered at the fulcrum—oppressive and unstable in a very unfringeable election year.

Judging from the outcome of well enough to offset Chancellor Helmut Schmidt's good standing with the electorate.

Then Lower Saxony provided

with the crack in the coalition into which the CDU might insert a crowbar and prise the thing apart. In voting for the successor of Alfred Kurel, the SPD Prime Minister of Lower Saxony, three unknown coalition members of the State Parliament split their papers in the secret ballot and fourth cast his vote for the CDU contestant, Herr Albrecht. So Foreign Minister, Hans-Dietrich Genscher, has made it clear that Albrecht was elected and faced the impossible

task of forming a Government on the strength of a turnout vote. Both sides of the local FDP-SPD coalition refused to re-align, so

that after three weeks the vote for Prime Minister was repeated.

To prevent a repeat of the embarrassment, the Bonn coalition sent down the Minister of Housing, Karl Ravens, as their candidate. Last Friday, the vote was held again and to the coalition's dismay confirmed the CDU candidate as State Prime Minister.

It was a growing feeling among political observers that the SPD-FDP coalition was running out of steam and might fall apart from sheer lack of mutual enthusiasm. But not apparently in this election year. The stage was thus set for general election repeat of last year's state

elections with the CDU acquit-

ting themselves well, but not the co-operation of the coalition FDP can and must show how

in Bonn." Helmut Schmidt gave free it really is and whether it is the same assurance, but from a can escape the embrace of the weaker position. Were this the SPD."

the decade of the sixties when different combinations of coalition

in the state Parliaments were not abnormal, it would be easier to believe them. But the Bonn

So the CDU is understandably

coalition's ability to govern is very undecided, how best to handle the Polish agreement

inevitably affected because the ascendance of the CDU in Lower Saxony gives the opposition a

majority in the Upper House of the German Parliament. More

over, this Upper House must

shortly vote on the Polish agreement, a piece of foreign policy of

emotional importance.

For five years, the relations between West Germany and neighbouring Poland have been

bedevilled by argument over the repatriation of ethnic Germans

stranded in Poland by the shift of Frontiers after the last war

and over Polish claims, in particular for lost pension payments

arising out of the war. The Polish

agreement was to have ended

this argument. Bonn was to grant Poland DM1bn. in economic

credit and to pay DM1.3bn. in pension contributions. In return, Poland would allow 125,000 ethnic Germans to emigrate back to Germany.

The official CDU line, as laid down by the Party leader and candidate for Chancellor, Helmut Kohl, is that this is a poor deal which requires renegotiation. The upset in Lower Saxony has suddenly given the CDU the power to block the deal—and put it into a tricky situation. In the last three weeks the CDU, only unwillingly followed by its Right wing Bavarian sister party, Franz-Josef Strauss's CSU, has studiously avoided the Free Democrats' secretary, Herr Biedenkopf, proclaiming that the upset would have "no effect on moment has now come when the

exploit.

The effect of the upset in Hanover has been to shift the big question of this election year away from "the battle of the two Helmutts"—Helmut Schmidt and Helmut Kohl—and back to the question of which has the

co-operation of the coalition which Helmut Schmidt leads. The coalition has checked in an area

where SPD and FDP were particularly incompatible and cracked in a way which directly reduces the national ability to govern. This is a situation which the Christian Democrats have to

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## APPOINTMENTS



## OPERATIONS MANAGER

For a new concept in financial services £6000

The concept is new in this country—the control of a company's trading assets so that they may then be used as collateral to secure a working capital loan. The parent company has operated this principle with prestige and profit in North America for decades. A subsidiary, recently set up to extend this principle to the U.K., is already accepted as offering a valuable service to major commercial lending institutions. As management passes totally into local hands, a "ground floor" opportunity has been created for a positive, financially oriented businessman.

Based in Central London, the Operations Manager will be responsible to the British M.D. for the installation of controls, periodic audit and continuous verification of a wide variety of trading assets. The Company relies heavily upon his judgment, so commercial acumen, analytical skills and the ability to think on his feet will be vital attributes. He is likely to be in his mid-thirties, with well developed financial or accounting skills; he may have gained his experience in banking, in consultancy or in industry.

Starting salary will be £6,000 with excellent fringe benefits, including a house purchase loan if necessary and the use of a company car.

Please write, giving full career details, to Terry Ward at BSB Appointments, 47 Davies Street, London, W.1.

## INVESTMENT TRUSTS

● Are you expert at marketing investment trusts to institutions?

OR

Do you have an intimate knowledge of investment trusts in order to achieve this status very rapidly?

● Are your ambitions unlikely to be fulfilled with your present organisation?

If so, we may have the opportunity you are looking for.

Please send brief particulars of your career to date and remuneration required to:

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FINANCIAL TIMES  
10 Cannon Street, EC4P 4BY

## INSTITUTIONAL MARKETING

Medium sized research oriented firm of London Stockbrokers require a person with not less than five years' stockbroking experience dealing with Institutions. This work involves providing a service based on quality research to institutional clients.

Competitive salary and bonus will be paid.

The Senior Partner, Box A5430, Financial Times, 10, Cannon Street, EC4P 4BY.

## IMPORT OPPORTUNITIES OFFICE

FOR DEVELOPING COUNTRIES

requiring an

## Assistant to the Chief Executive

The Import Opportunities Office for Developing Countries, with offices in the London Chamber of Commerce and Industry, and in association with the Ministry of Overseas Development was set up over two years ago to assist Developing Countries expand their trade. The work of the Office, which is both interesting and challenging, aims to assist organisations concerned with developing countries, with Development Countries, and also to assist close liaison with Government, Industry and Commerce, both in the UK and in the Developing World.

This unusual appointment requires an adaptable and rounded with commercial and administrative experience, preferably in a Developing Country. French or Spanish would be useful. Age could be 27/37 or alternatively, middle age. Salary for discussion, around £4,300. Six months' probationary period.

Applications, with curriculum vitae, to the:

PERSONNEL OFFICER,  
LONDON CHAMBER OF COMMERCE AND INDUSTRY,  
65 CANNON STREET, LONDON EC4N 3AB.

**LEADING FIRM OF STOCKBROKERS**  
have a vacancy for one more experienced  
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to handle extensive European connections. This is an excellent opportunity for candidates with some ability in foreign languages. High salary and bonus to right person. Please reply with full details of experience, educational qualifications to Box A.5423, Financial Times, 10, Cannon Street, EC4P 4BY.

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can offer a number of interesting and progressive positions to

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Any inquiries will be treated in the STRICTEST CONFIDENCE.

Apply:

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01-628 0985, Mrs. Pinn

## FINANCIAL CONTROLLER

We are a small expanding highly specialised contracting company based in Wimbledon. We require a qualified accountant who will report to the Managing Director and work closely with operations management, ensuring that effective financial information is given in a clear and concise manner and clearly understood. Cash and profit protected will receive clear instructions and a full contribution to the formulation of financial policy will be expected. Write in confidence Box A.5423, Financial Times, 10, Cannon Street, EC4P 4BY.

## BLUE BUTTON

Stockbrokers require experienced blue-button with potential for authorisation in relatively near future. Fringe benefits include luncheon vouchers and bonus.

Write Box A.5431, Financial Times,  
10, Cannon Street, EC4P 4BY.

**FRISBEE CO.** seeks General Manager to take total responsibility for company, including accounts, premises, office, distribution, stock control. Salary £3,000 + super. Post: Mr. Peter Frisbee, Frisbee Co. Ltd., 16-18, Peterborough Rd., Richmond, Surrey, TW9 1AB.

## OBITUARY

E. D. J. MITCHELL, "E.J." On February 7th at Victoria Hospital, much loved husband of Mrs. E. J. Mitchell, with his father of Patrick, father-in-law of Michael, son of Michael, son of Michael, and Lytham, on Thursday, February 12th at 1 p.m. No service, donations if desired to cancer research.

**GOURMET**

GALLIPOLI RESTAURANT, off Old Broad St. E.C.2. Open every day for lunch. Dinner and dancing until 3 a.m. Cabaret twice nightly at 10.30 p.m. and 11.30 p.m. Men to £2.50. Tel. 01-500 1922.



## SENIOR DEALER

We are seeking an ambitious young dealer to join our team. Determined and self-motivated, preferably with banking background. First class opportunities offered to the person of ability. Salary will be negotiable. Please write giving background to:

A. L. SCAWIN  
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(STERLING BROKERS) LTD.  
67 CHISWELL STREET,  
LONDON EC1Y 4XX

## COMPANY NOTICE

THE THARISIUM SULPHUR AND COPPER COMPANY LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING OF THE THARISIUM SULPHUR AND COPPER COMPANY LIMITED will be held in the Hotel Lancaster, 7 rue de Berri, 75 Paris on the 21st day of February 1978 at 10 a.m. for the purpose of considering and adopting the following resolutions:

1. That the Directors of the Company

and approves the arrangements for the

participation of the Company in the

extraordinary general meeting of the

S.A. "AJPEA" which were passed in

the Members of the public

have been denied the oppor-

tunity to put forward their

reasoned arguments by the action of

people who, in the name of

freedom, have denied to others

Men and Matters, Page 14

## HOME NEWS

## New Airedale road inquiry to be set up

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

AFTER NINE abortive attempts to get hearings under way, the to them by law and custom, public inquiry into the Aire Valley road scheme has been throughout the hearings, not a abandoned by Mr. John Silkin, single objection had been allowed to be put properly. His

The inquiry, at Shipley in Yorkshire, has been the scene of repeated demonstrations by objectors to the road proposals. First class opportunities offered to the person of ability. Salary will be negotiable. Please write giving background to:

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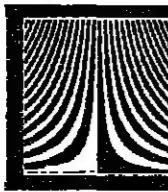
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## • COMMUNICATIONS

### Sees the weather a day ahead

A SYSTEM which can monitor the movement of local weather a day away and transmit the approaching picture cheaply over the phone line, has been developed by Muirhead of Canada and is to be marketed by its British parent throughout the world.

Claimed as a major meteorological breakthrough, the equipment maps out the approaching weather as seen by outlying radar stations. Rain information is given in shades of grey.

The Canadian Government think this low cost "weather-eye," which works off the sweep of a radar, is good enough for meteorological bureaux in Ottawa, London, Quebec, Vancouver and produces a printout in under

St. John's to use. They have 150 seconds and gives rain information in four scaled shades of grey.

Forecasters will be able to use this now, already accepted, tool to check their predictions and take into account up-to-the-minute weather conditions 100 miles or sometimes the equivalent of 20 hours away.

The decision to offer the facility follows research among architects and in the construction industry, acoustic research at the University of Salford and experience gained from the company's early claddings used in such locations as the Shakespeare Centre, Stratford; Wolton College, Oxford; Victoria Law Courts, Birmingham; York Sports Centre and Charterhouse School, Godalming.

A similar weather system to that accepted by the Canadian Government has been demonstrated to the British Meteorological Office which is considering setting up a network of 12 radar sites to give good coverage of the British Isles. Muirhead's Weatherfax machines are already used exclusively by the Meteorological Office.

Muirhead is on 01-650 4986.

## • CONSTRUCTION

### European first in drilling

DRILLMASTER A120W hydraulic rotary drill—designed and manufactured by Hands-England Drilling, Letchworth, Herts—currently drilling for water in Libya, is believed to be the first drill designed and manufactured in Europe specifically for foam flush drilling.

This technique is a low velocity, low solids system of air flush drilling in which a foam mixture is injected into the air stream supplied via low volume/high pressure compressor. The resulting foam—which resembles aerosol shaving cream—has a very high cutting lifting capacity, while low velocity causes minimum damage to the hole wall.

The addition of low molecular weight polymers to the foam mixture also enables it to lift considerable quantities of ground water from horizons being drilled through.

Both the foam and the polymers are bio-degradable making them safe for use in water well drilling.

Hands-England is on 046-36 3777.

### Meters polyester grout

BY SEPARATELY yet simultaneously pumping polyester resin and hardener the cost of resin grouting bolts and anchorages into concrete and rock can be reduced according to Chemical Building Products, which has developed an air-driven twin-line

LUMPS (Land Use Master Plan Substitute), has been designed to operate up to heads of 12 metres, requires almost no knowledge of computing to operate. In addition to providing printed output, it makes use of visual display terminals to show the planner the effect of his decisions in graphic form.

The planning of a development such as Thamesmead involves decisions on a large number of factors, such as housing density, number of families to a dwelling, distribution of open space, education facilities, other facilities, the volume and flow of traffic, the cost and programming of development alternatives. Nearly all these factors are interrelated, so that a change to one affects the whole pattern of the development.

Using a computer at the planning stage allows a range of possible permutations to be studied, and the results to be stored conveniently for subsequent retrieval.

Timber clad made to measure

ARCHITECTS and other specifiers may select from a range of decorative English and imported

## • OFFICE EQUIPMENT

### Punches and binds

BUSINESS AIDS in marketing is the Duo Electric which it claims is the first machine to combine document punching and binding in one unit using the plastic comb system.

The company is at 3 Whitchurch Avenue, London NW10 7SQ (01-965 9821).

There are seven settings for

wood claddings and have them manufactured to their needs.

"Profile" series, offered by timber specialists, Henry Venables (Castletown Sawmills, Stafford) is a range of 20 profiled claddings in solid timber based on squares, angles, circles, and standard flat shapes. The range included profiles which offer sound absorption coefficients over a broad frequency spectrum.

This type of turbine was first proposed in 1919 to be used to produce electricity from rivers and tidal waters. Until the 1940s little was done with the design, when some were built by the Germans and installed to produce power from rivers. Since the end of the war some 70 of a small diameter version of this machine have been installed on the Continent, operating with few problems except for seal replacement.

Manufacture of the turbine will be under license from the Strato Group. This has been formed by Escher Wyss in con-

junction with an international consortium.

Called the Strato turbine, the

company says it will operate at

low heads of up to 40 metres, and

can be developed to diameters of some 10 metres.

It is considered that this should make

possible the economic utilisation

of river and tidal power.

In contrast to conventional

bulb turbines (enclosed genera-

tor immersed with the turbine

on the same shaft), the Strato

is more compact, which should

result in savings in civil engi-

neering.

The generator is ar-

ranged as a rim around the

turbine runner—which is where

the vital rim-seals isolate the

generator from the water. The

turbine can be reversed and used

as a pump to regenerate the

head in off-peak periods.

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junction with an international

consortium arranged by Mr.

Edmund L. de Rothschild. The

Group's UK office is at New

Court, St. Swithin's Lane, London EC4P 4DU.

## • TRANSPORT

### Soft nose for speed and safety

ALTHOUGH intended more for the rally enthusiast than the City executive, the Ford Escort RS 2000 incorporates a feature which should appeal to every car owner—it is the first European car to have a "soft nose."

The streamlined front end is made from a new flexible microcellular polyurethane elastomer, known as Bayflex 101. The concept is a progression from energy absorbing bumpers capable of taking low-speed collisions without damage. It can be styled, can include standard equipment (lights, number plate, etc.) and can be painted match or contrast with the rest of the body. Drag has been reduced by 16 per cent compared with a standard Escort.

The soft front end of the RS Escort is produced for Ford by Phoenix Gunnarwerk AG, using a process developed by Bayer that has two liquid components—a polyol blend and a modified isocyanate. These are metered, mixed and injected at high speed into a mould producing a polymer which is compacted on the mould wall to form a solid polyurethane skin up to 2 mm thick, which is stated to be tough and abrasion resistant.

The one piece front end moulding will deflect on impact and return to its original shape. The company says the nose can be deformed any number of times. It is lightweight and

retains its characteristics in moulding technique is a short

temperatures from -20 to +80

cycle, self-heating chemical pro-

cess using less energy and

less equipment than is

needed for the conventional

method.

The soft front end of the RS

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isocyanate. These are metered,

mixed and injected at high speed

into a mould producing a poly-

mer which is compacted on the

mould wall to form a solid

polyurethane skin up to 2 mm

thick, which is stated to be

tough and abrasion resistant.

The one piece front end moulding

will deflect on impact and return to its original shape.

The company says the nose can

be deformed any number of times. It is lightweight and

retains its characteristics in moulding technique is a short

temperatures from -20 to +80

cycle, self-heating chemical pro-

cess using less energy and

less equipment than is

needed for the conventional

method.

The soft front end of the RS

Escort is produced for Ford by

Phoenix Gunnarwerk AG, using

a process developed by Bayer

that has two liquid components

a polyol blend and a modified

isocyanate. These are metered,

mixed and injected at high speed

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# Tougher controls over secondary banks needed, says Shore

BY JOHN HUNT

## Talks on Concorde routes in progress

THE GOVERNMENT is holding discussions with India on overflying rights for Concorde. Mr. Peter Shore, Trade Secretary, told MPs yesterday.

Answering Mr. Michael McNair-Wilson (C., Newbury), the Minister said he would make a statement when possible.

He told Mr. John Stonehouse (Lab., Walsall N.) that Britain and France were in discussions with the Soviet Union about a supersonic corridor and a refuelling stop in Siberia.

He was not aware of any application from the Soviet airline, with regard to the TU144, to fly to Heathrow.

Mr. Robert Adley (C., Christchurch and Lytton) asked Mr. Shore to tell any overseas Governments he might seek to use Concorde as an excuse to involve themselves in unrelated issues, that such tactics were counter-productive, particularly if they sought to stifle criticism of current events in those countries.

Other MPs laughed when Mr. Shore replied: "You clearly have some serious matter on your mind which you have not felt it proper to reveal to the House, but I take note of what you have said."

He told Mr. Robert McCrindle (C., Brentwood and Ongar) who wanted to know what was being done to fly Concorde to Pittsburgh: "We have to take these questions of routes one at a time." The Government was pressing ahead with priority routes.

THERE IS a need for much stronger regulatory powers in the secondary banking sector and the company sector generally in the wake of the Department of Trade inspectors' report into the collapse of London and County Securities. Mr. Peter Shore, Trade Secretary, told the Commons yesterday.

He also promised that he will be examining carefully the role of auditors, as a result of criticisms made of the auditor in the London and County affair. According to Mr. Shore, this aspect of the matter is already being investigated by a sub-committee set up by one of the professional accountancy bodies.

Mr. Shore was replying to Mr. Dennis Skinner (Lab., Bolsover), a leading left-winger, who asked for a statement on the Department's investigation into the company. Mr. Skinner declared that the report had been largely overshadowed by "another Press romp" on the day it was published.

He asked Mr. Shore to comment on the statement of the report that leading politicians should not become involved in such practices.

If politicians should not become involved in the setting up of secondary banks, neither should anyone else. Mr. Skinner argued. On these grounds, he suggested that the Government should "outlaw" secondary banking.

The Secretary of State replied that the report itself had described the affair as a "tragedy".

On the question of part-time directors, he was certain that what the inspectors had to say did have a much wider relevance.

The whole report and other reports received by the Department of Trade indicate said yesterday.

Mr. Shore said that the need for much stronger regulatory powers not Mr. Shore told Mr. Enoch Powell, in the company sector (TUUC, Down S.) that the Conservatives received £150,000. the generally but specifically in services received £150,000. the



MR. PETER SHORE

To look at role of auditors.

Mr. Shore reminded him that there were several references in the report to the role of the auditors but only in some of these had the inspector had critical remarks to make. It was the practice of the professional bodies in accountancy to set up a sub-committee to make an investigation when auditors were criticised by the Department of Trade. He understood that this was being done in this case.

"Beyond that, I certainly will be looking much more carefully myself at the whole role of auditors in these very important matters," he added.

From the Liberal benches Mr. Richard Wallwright (Colne Valley) claimed that not only had the auditors been completely deceived by Mr. Gerald Caplan, chairman of London and County, but they had remained the auditors to the company right up to the time of its crash.

Mr. Shore promised that he had taken a careful note of this point but said that one should distinguish between the different stages in which the auditors were involved.

In some activities the auditors were criticised to some extent by the inspectors, but in other cases they were not.

He also recalled that the report had said that the auditors in this case were dealing with an extraordinary degree of deception and deviousness.

## Cash aid for parties

TAXPAYERS gave £162.15 to Opposition parties from March 1974 to December last year to assist them in carrying out their Parliamentary business, Mr. Edward Short, Leader of the Commons, following a Commons decision last March, had been given the money and submitted returns showing they had spent it exclusively on parliamentary business.

Mr. Short told Mr. Enoch Powell, in a Commons written reply, that the Government was pressing ahead with priority routes.

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Financial Times Tuesday February 10 1976

## The Executive's World

# Where lies the future of the company pension scheme?

CHURCH Commissioners' post-war merger of Queen's Bounty, founded in 1704, and the incomes of the beneficed clergy, and of Ecclesiastical Commissioners, founded in 1836 to "additional provision for the souls" in parishes such assistance was most often in such manner as to be deemed most conducive to the efficiency of the Church."

Commissioners have to their fund to produce a return possible income with long-term They invest in both equity and stock exchange as. They do not retain significant scale revenue capital investment and, apart taking over in 1955 from the Church of England Pensions investments worth £8.5m. with them liability for (a), they have received years very little "new" to add to their capital record thus gives a indication of the extent in over different periods returns available from range of investments with the prevailing rate of return.

newly appointed in the Commissioners' had ment and other securities book value of about £100m. of which only 4 per were in industrial es. They also became liable for large holdings and property, the greater of which were ancient endowments transferred to the Ecclesiastical Commissioners during the 19th century from bishoprics and chapters. It was not until 1958 that the Commissioners felt able to put a valuation on their assets, and this was set to be £69m. In terms of income, the Commissioners have over the past increased the General from £7.1m. to £8.1m. It is a record. How was this? Commissioners were first during a period of interest rates, and the potential Government and other assets they inherited had an yield of only 2.54 per cent in book (not market). This they regarded as a factory, and immediately a decisive policy of re-fixed interest holdings investing the proceeds in real securities and real property.

By the time of their

Raymond Nottage, Director-General, Royal Institute of Public Administration, suggests that the investment record of the Church Commissioners provides an unusual opportunity to compare inflation levels with the returns from different investment media and concludes that companies, and particularly their shareholders, should consider anew the relative merits of funded and "pay-as-you-go" pension schemes.

tenth annual report, equity decade tells a different story. shares had risen from about 4 per cent to 66 per cent of their holdings of stock exchange securities, with preference shares and debentures amounting to another 12 per cent. In 1955/60, 1960/65, 1970/75, the Commissioners began to invest in the shares of U.S. companies, which now represent 8 per cent of the stock exchange portfolio.

In the management of real assets the Commissioners were equally forthright and energetic. This was directed from very early days towards

Quinquennial Increases  
Securities, with preference shares and debentures amounting to another 12 per cent. In 1955/60, 1960/65, 1970/75, the Commissioners began to invest in the shares of U.S. companies, which now represent 8 per cent of the stock exchange portfolio.

In the 12 months ended March 31, 1975, the Commissioners' investments produced, alas, only a 6.8 per cent increase in income against a rise of 17.9 per cent in the Retail Price Index. The clergy's stipends are derived partly from the Commissioners'

Central Statistical Office figures with the base of 100 at January 1974) that for a man soon to retire, pension fund contributions made in the mid-1930s are now worth little more than a tenth of their original value, and those of the 1950s barely a third.

In speculating about the future one has to take a view on the long-term balance that will emerge in the world at large between the forces that stimulate inflation and those that retard it. In most countries the former are firmly in the ascendant at the moment. Also,

since pension funds rely on

profit-making and rent-producing assets, the political esteem in which the persons and institutions controlling and developing these assets are held—and will be held—is another major factor to take into account.

Thus, the cautious man might well consider it unwise to rely on the future rate of inflation being generally lower than the rate of increase of income from the conventional investment media. If so, the manner in which the nation's rapidly expanding volume of pensions should be paid for.

Shareholders, therefore, have

a very strong duty to themselves to ensure that the boards of the companies of which they are the proprietors are taking a forward, rather than a backward, view of the manner in which their employees' pensions

are to be paid for.

It is encouraging that major companies have recently made it all too clear how heavy is the cost of pensions provision on company revenues. The evidence provided by the Commissioners' finances suggests that with the funding system the cost could escalate a good deal further.

Shareholders, therefore, have a very strong duty to themselves to ensure that the boards of the companies of which they are the proprietors are taking a forward, rather than a backward, view of the manner in which their employees' pensions

are to be paid for.

In determining investment policies, the Commissioners naturally pay regard to ethical and social aspects of these policies. As defined in their 1972 report these are as follows:

"The Commissioners do not buy either shares or property with a view to sale for capital gain. Nor do they invest directly in companies operating wholly or mainly in certain trades—armaments, gambling, breweries, and distilleries, tobacco, newspapers, publishing and broadcasting, and theatre and film—or in Southern Africa.

"In the case of property, leases are carefully framed to prevent improper use. More positively, the Commissioners recognise the share of responsibility which large investors bear both for the general health of society and for the quality of the living environment; and they endeavour to discharge these wider obligations by all appropriate means."

In real estate policies, the Commissioners have maintained a stock of houses for low-income families and, as earlier reports always recorded, these are "under the care of lady housing managers."

The income resulting from these policies over the past 20 years and its comparison with the movement of the retail price index over that period are shown in Table A.

While income has outstripped the Retail Price Index in the past 20 years, it is entirely due to the favourable conditions of the first ten years, for the past

10 years the two have moved

in opposite directions. The past illustrates (Table B) showing the movement of prices of consumer goods and services over 60 years according to the

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Telex: 886241/2, 887397

For Share Index and Business News Summary Ring: 01-246 8025

Birmingham: George House, Queen St. Tel: 021-454 0922. Rom: Via delle Marche 62, Tel: 070 33217  
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Manchester: Queen's House, Queen St. Tel: 061-222 4599. Tel: 061-222 4599. Tel: 061-222 4599  
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TUESDAY, FEBRUARY 10, 1976

Safeguarding  
the dockers

The Dock Work Regulation dockers and has taken much Bill, which has its second reading in the House of Commons today, is regarded by its defenders as logical continuation of the process whereby, since the war, the employment conditions of dockers have been steadily improved. The Dock Workers Employment Scheme (which virtually guarantees a job for life), followed by the introduction of permanent employment in 1967 and the elimination of the temporary unattached register in 1972, has given dockers a degree of security which may seem excessive in comparison with other groups of employees but is understandable in terms of the past history of the docks. Yet despite these privileges—and to some extent because of them—employment opportunities for dockers have diminished. Containerisation has reduced the amount of work done on the quayside.

## Bitterness

This has caused intense bitterness on the part of the dockers themselves, erupting on several occasions into serious strikes; the most celebrated case was the jailing of five London dockers in 1972, after the men had refused an Order of the National Industrial Relations Court to stop picketing a cold store. In one sense the dockers are no different from any other group which is suffering from technological change and is trying to resist it; they also have industrial power and they are not afraid to use it. But the special position of the dockers within the Labour movement—to say nothing of the personal influence of their leader, Mr. Jack Jones—has made it inevitable that some attempt to deal with their grievances would be made.

The right approach would have been for the Government to help the dockers adjust to the effects of technological change without at the same time impeding the flexibility of the country's transport system. Instead, the Government has leaned much too far in the direction of protecting the unrest it is designed to cure.

## The politics of the Spanish peseta

THE 11 per cent devaluation of the Spanish peseta yesterday is a reminder that the economic and political problems of post-Franco Spain are inextricably linked. In terms of output, the Spain is the eighth industrial power in the Western world. Its average annual growth rate for the period 1961-73 was over 7 per cent. Clearly economic growth on this scale was a stabilising factor in the last years of the Franco régime; without it, the political pressures for change might have been even greater.

## Tourism

By 1975, however, the growth rate was barely 1 per cent. In part this was a reflection of the worldwide recession, yet in the Spanish case there are special factors which make it unwise to bank on a gradual recovery. These are pre-eminently, though not entirely, political.

In the days of the economic miracle there were potential weak spots in the overall performance. The value of imports continued considerably to exceed the value of exports. Until 1973 the deficit on visible trade was compensated by tourism, remittances from Spanish workers abroad, and foreign investment, but by 1975 there was a shortfall of nearly \$3bn. Yesterday's devaluation, on the face of it, should provide a boost to tourism this year, though this will depend to some extent on the political situation and it has to be remembered that Italy, which is a rival attraction, has already allowed the lira to depreciate by a similar amount.

Remittances from workers abroad have dropped because of the recession and will presumably be at least partly dependent on political factors in future. Net foreign investment was already falling in the last days of General Franco and seems unlikely to revive until there is some assurance of political stability.

There is also the problem of rising expectations conditioned

by the years of growth. Last month's strikes may have had a strong political element, but there was also a straight demand for more money. According to some employers, the Spain is the eighth industrial power in the Western world. Its average annual growth rate for the period 1961-73 was over 7 per cent. Clearly economic growth on this scale was a stabilising factor in the last years of the Franco régime; without it, the political pressures for change might have been even greater.

Politics and economics are intermixed too in the problems of the regions and in the Spanish approach to the European Community. If the unrest among the Catalans and the Basques is met by granting greater regional autonomy, this must have economic implications. They would need greater powers to raise and dispose of their own revenues, yet if these were granted there would be new problems among the poorer regions which are to some extent subsidised under the present centralised system. Again, there is a temptation in Spain to seek salvation as well as respectability from membership of the Common Market. The attitude of some of the existing members, however, is that the Spaniards must achieve political respectability first and membership afterwards. If this view prevails, the Community can offer little economic promise in the short term.

There are more problems here than can be solved by the devaluation of the peseta. Like the speech by the Prime Minister on the political future last month, the sudden currency move suggests that the Government is reacting to events rather than pursuing a considered policy. Given the absence of political debate under General Franco, this is not surprising.

An ex-major, Ridge was apparently prepared to continue this particular battle if requested. Silkin however has decided that he is entitled to a

Current events in Africa are gravely affecting two of the world's largest copper exporters.

But, so depressed is world demand, the market appears hardly to have noticed. John Edwards analyses the situation's long-term dangers.

Crises tightening  
the Copper Belt

Zambia's Mufulira copper complex: with the export route through Angola shut, the country is cut off from most of its potential overseas earnings and is seeing its copper industry generally run at a substantial loss.

Two years ago, the news source of foreign earnings—is after the £1,400 a tonne record being increasingly affected by the continuation of the Angolan civil war which, with the closure of the Benguela Railway, has hit the country very hard. Since early 1973, when it was decided to cease copper shipments via Rhodesia, the bulk of Zambia's output had been sent out of the country by rail to Lubito Port in Angola with a much-reduced amount finding an exit through various alternative, limited, routes.

Hit by curbs  
on imports

Behind this apparent lack of market concern is the fact that the commodities boom of two years ago is now but a memory; surplus world stocks of copper are at record levels and, even with production badly hit, there seems no danger of a shortage without a major change in the supply-demand balance. Even if industrial activity recovers in the near future, as so many forecast, bringing a sharp rise in copper consumption, surplus stocks are expected to go on increasing until 1978, thanks to existing plans to expand production.

Production  
down

The extent of the present surplus is well seen in the way stocks have gone up as a proportion of demand. In 1973, stocks amounted to 13.4 per cent of annual consumption. Last year, the figure was 42 per cent, while the forecast for 1977 is 46 per cent. The London Metal Exchange's warehouses are currently holding more than 519,000 tonnes of surplus copper, a record which is over twice as high as the previous peak—192,000 tonnes, in December 1972—and compares with less than 11,000 tonnes in April 1974.

In the light of this, the lack of concern about supplies from Zambia and Zaire is not surprising. The two countries produced 688,000 tonnes and 544,000 tonnes respectively in 1974, but somewhat less last year with recent figures from the World Bureau of Metal Statistics putting Zambia's output (but not necessarily sales) at 220,000 tonnes and Zaire's at just over 420,000 tonnes.

To-day, Zambia's production reached. Indeed, since the country's almost sole spectacular collapse in prices

is to establish a dialogue with consumers, instead of just acting as a producers' cartel, in the hope of promoting a long-term scheme for stabilising the copper market with the aid of World Bank funds. But this is only a long-term prospect.

Even more ambitious is the integrated programme for dealing with "problem" commodities such as copper, recently launched by the UN Conference of Trade and Development (UNCTAD). Ten "core" commodities would be covered by the scheme. Among the proposals is a common fund to finance the establishment of buffer stock support for all the commodities included as and when required.

Even if the many diverse interests were reconciled and sufficient political will found, happened in the last year when Britain had ended the Agree-

ment prior to entry into the EEC, thus reducing the international mining group's production by as low as 2498. Zambia, a high-cost producer, is particularly hard hit by this, though some other mines, such as Palabora in South Africa, and Bougainville in Papua New Guinea, are still able to show a profit.

Overall the general lack of profitability and the soaring cost of financing the exploration and development of new deposits, means that there has been virtually no new investment in securing supplies for the future. Thus, in the 1980s, when the present surplus is used up and existing expansion plans are completed, another acute shortage could result from the long gap between the search for and discovery of new deposits and the start of production. On average, it is estimated, to bring a new mine into full production takes four to seven years. A consequent

There were also rumours last year that the oil producing countries were to be approached by Cipep to finance a copper stockpile, though Cipep subsequently denied the story and, in any event, there was no definite response from the oil producers. Now Cipep is seeking a common set of ground rules governing the relationship between the country and the company or group involved in developing a new mine.

The second problem is the need to protect the poorer developing countries from the harsh effects of the law of supply and demand in a free market. In copper's case, regulation of the market is beset with difficulties and might simply worsen, rather than improve, the situation for primary producers.

An alternative might be to extend the principle of the Lomé Convention agreement between developing countries and the EEC into the copper market. The Convention agreement includes a deal over cane sugar imports, basically continuing the old Commonwealth Sugar Agreement under which the Community receives a guaranteed annual supply and the suppliers receive a known price, based primarily on the sums paid to domestic EEC beet growers but also taking into account market conditions.

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## MEN AND MATTERS

The battle  
of Ernest  
Ridge

"It's the first positive evidence that they're moving towards democracy!"

"He has been put through far more than anybody in that position had a right to expect."

The Minister said last night.

## New ball park

Professional footballers may be highly paid, but few of the clubs which employ them manage to stay in the black for long—if at all. One which does not is Notts County, currently fourth in the second division and within striking distance of the leaders, yet still failing £1,000 a week short of breaking even point on gate receipts.

Add this to the accumulated deficit of £188,000 at the end of the club's last financial year and the picture looks far from rosy. Not surprising therefore that Notts County, like many other first and second division clubs and to a lesser extent clubs in the lower divisions, has employed a commercial manager to try and boost revenue by means of off-pitch activities.

County's commercial manager is Stuart Burge. He has been with the club for about a year

now, and in addition to normal fund raising activities by football clubs—ground advertising, and the like—he is taking County into a completely new field: insurance.

Burge himself is an ex-insurance broker, and he has got together with the club's brokers, Roger L. Fogg and Co. of Mansfield, to devise a scheme whereby County will pass on potential clients to Fogg with basic details as to the type of insurance required. Where these introductions lead to actual business for the broker the football club will get a cut of the resulting commission.

Dennis Marshall, the club secretary, said yesterday that the idea was to get as many as possible of the club's regular supporters to do their insurance via Notts County, and thus help towards solving financial difficulties. The average gate at the County ground is £8,000-10,000—short of the 14,000 needed to break even, but still a lot of potential clients.

## Penny wise

The departure of Dr. Tiede Herremans, therefore, seems ideally suited to his new role: during the protracted siege late last year of the Monasterevan council house where he was held captive, much was made of his qualifications for dealing with and understanding people. Ferrenka itself, where Herremans has been managing director, was last night saying little on what is obviously a delicate subject. Even without the three-week close-down of the company's steel cord plant which was one of the kidnappers' demands (eventually ignored), the business had been struggling, with losses last year of at least £3m. The ambitious operating plans had provided for 3,000 jobs and a £40m. investment by 1980; last year the work-force was cut to 300 to 1,200; spending so far amounts to £20m.

Herremans will leave at the end of this month, and will then prepare for his new post as director of the

# FINANCIAL TIMES SURVEY

Tuesday February 10 1976

[Cheill not 156]

# Bahrain

Bahrain has found itself increasingly on the map: an alternative to war-torn Beirut, Concorde's terminus and, more important, as a new offshore banking centre. Its non-oil strength is a relatively large and well-educated population.

FROM the air the islands of Bahrain are stunningly white buildings that jut into the emerald waters of the Persian Gulf. For the time being the Bahrainis are conscious of their own limitations. Though not stated publicly people concur there is, and will be, room for more than one centre given the competitive nature of Abu Dhabi and Dubai. Thus there are signs now that the Government prefers to absorb first those who have come and those who have promised to come. The Bahrainis are also playing harder on what could be their strongest card: proximity to Saudi Arabia.

Changes are symbolised by the opening of the Concorde Bahrain airport, which has put Bahrain on the international map. But even Concorde Bahrain has increasingly in the lime-light. The month-old conflict in Lebanon, which has forced Middle East business to look elsewhere for a regional centre in Bahrain, has forced Bahrain into the international financial scene by promoting offshore operations, creating a link in financial dealings in Singapore and London and New York. In the past year Bahrain has been able to capitalise on its location, right at the very heart of the major oil-producing and developing its status from Britain's former oil fields.

use of Bahrain as a political base and military base to control the OAPEC drydock. The relative merits of Bahrain as a service centre are discussed elsewhere in this survey: suffice it here to say that this support is extremely important because it means that Saudi deposits will be placed with the Minister Mr. Amir Abbas Hoveida. This was the first time offshore in Bahrain. In the such a senior Iranian official had offshore banking scheme, which visited Bahrain since independence was announced last September.

declared aims of the pact is to improve relations with Iran.

During the year important steps have been made to utilise Bahrain (one destroyer and two escort ships are based there). The agreement for the use of this facility is due to expire in 1977, with the U.S. familiarity with committee procedures on the one hand and remaining period. So far both the Americans and the Bahrainis have kept their options open. Nevertheless it is a time was spent in approving simple Bills. The result was that many basic laws necessary for the functioning of the State got held up, in particular the introduction of a criminal code.

Once elected the Government quickly discovered that its back on the idea of a National Assembly—rather it is a question of finding a viable formula. At present there is no sign that the Government has any firm ideas, although in private it seems likely that any future assembly would have some 50 per cent. of the deputies appointed.

This was necessary both to reassure the public and to prove that it was addressing itself to the main problems confronting Bahrain—housing, shortage of manpower, and a spiralling cost of living. Wealth is still confined to relatively few people and per capita income, reckoned at \$1,250, is roughly a quarter that of Kuwait. Thus these issues are serious ones to tackle.

A scheme has been initiated to build 1,000 low cost housing units a year but there are some 7,000 families on the housing list, and unless the private sector also moves this problem is likely to be aggravated. As it is, upper income housing is also in short supply with rents now reaching almost \$4,000 per month in some instances. A rent freeze is considered impractical since it would curb construction activity and also be hard to administer. Instead the hope is that by encouraging construction activity market forces will level off rents.

Quite apart from its impact on ordinary Bahrainis who now find the bulk of their wages taken up by rent and food, the high cost of living could have a negative impact on foreign companies seeking to establish themselves in Bahrain. For instance the bulk of the Leftists arrested in August have now been released. Bahraini society is also more homogeneous and the population has a higher indigenous proportion than elsewhere in the Gulf. About 70 per cent. of the population is Bahraini and the State does not have to resort to large-scale employment of Arab expatriates to make the administration function.

This is a strange turn of the wheel, because six years ago the main concern by foreign business was for the stability of the area in the light of the British withdrawal. It also shows just how far Bahrain has changed since then.

## Growth as a regional centre

By Robert Graham

### Causeway

The project to build a causeway across the 40 kilometres of shallow water to the mainland of the Arabian peninsula holds out enormous potential for Bahrain. So far only feasibility studies have been carried out but certainly the Bahrainis are anxious to press ahead. Bahrain would inevitably benefit from the huge sums being spent on the development of the eastern provinces in Saudi Arabia. Bahrain port would also handle more Saudi imports. If the causeway project does go through it will confirm in tangible form what are already close links between the two States.

For instance Bahrain's refinery depends largely on Saudi crude, they share an increasingly important (for Bahrain) offshore oilfield, the Saudis have been the biggest single source of external aid, and it is also worth noting that the late King Faisal used his weight to ensure that that form part of the Qatar land.

raids have kept their options open. Nevertheless it is a time was spent in approving simple Bills. The result was that many basic laws necessary for the functioning of the State got held up, in particular the introduction of a criminal code.

Within the Assembly a loose working alliance was forged between Islamic traditionalists and Leftists leaving little room for a moderate view, so the Assembly had more the appearance of an opposition party to the Government, at the same time there was a fear that the immobility of the Government, due to blocked Assembly business, was being exploited by the Left which traditionally has had a following in Bahrain.

The Prime Minister, Sheikh Issa bin Sulman al Khalifa, dissolved the National Assembly—a move preceded by the arrest of 31 Leftists. The 44-man Assembly had been functioning for under two years. The to give us time... to find a male more workable substitute for an

Minister of Housing, since then.

# Bahrain—The New International Money Centre

### The Bahrain Monetary Agency

Was established by Amiri Decree on 5 December 1973 assuming all powers and duties normally enjoyed by a Central Bank.

Became fully effective on 1 January 1975 when Commercial Banks moved their Clearing Settlement Accounts to the Agency from the National Bank of Bahrain.

Announced it would henceforth deal in Foreign Exchange with local Banks in \$/US and £ Stg at fixed daily rates; subsequently the Kuwait Dinar, U.A.E. Dirham and Deutsche Mark have been added to the list. The US \$ rate is determined by the Agency within the agreed IMF range based on Gold Parity, and other rates represent the result of applying last known \$ cross-rates to that rate.

Works closely with the Ministry of Finance to ensure a coordinated investment policy of the State's foreign reserves and an adequate supply of foreign exchange for the market.

Introduced a forward exchange scheme: buying spot \$/US and selling forward \$ to local Banks against B.D. at a discount; this when subtracted from the cost of \$ deposits give the desired rate for the B.D. funds so created—at present about 7% p.a. for a 6-months deposit. This compensates for the fact that when \$ interest rates are high, like other Gulf countries Bahrain suffers a movement of funds into the Euro-dollar market, with a consequent reduction of available local credit and an unwelcome increase in Bahrain Dinar (B.D.) interest rates.

Has since 1 August 1975 required Banks to maintain with it a minimum Reserve Balance of 5% of B.D. deposits and 1% of foreign currency deposits. It established maximum rates paid for B.D. deposits and permitted rate margins or commissions which commercial Banks charge customers for foreign exchange.

Supports the issue by Banks of negotiable Certificates of Deposit in Bahrain Dinars and offers rediscount facilities to dealers in the secondary market. The Agency arranges a monthly offer of Promissory Notes by a major local borrower and these are eligible for rediscount by the Agency.

Has recognised Bahrain's great attractions for Banks seeking a Gulf Region base from which to service Arab depositors and borrowers. It has therefore introduced a limited banking licence permitting the establishment in Bahrain of Offshore Banking Units, operating only in the wholesale banking market. Bahrain is well supplied for local needs with 16 Commercial Banks operating and 2 more licensed to open.

Believes there could rapidly develop an Arab Banking Centre of great service to Arab Governments, Banks and individuals reducing the need for business to be translated in London or New York markets. Arab banking institutions are especially welcomed.

By January 1976 had granted OBU Licences and in December 1975 OBU operators were handling funds in excess of \$US 1.5 billion.

### Bahrain—an offshore banking centre

A magazine devoted to Middle Eastern Affairs recently commented that the most significant decision of 1975 in the State of Bahrain might well be that of the Bahrain Monetary Agency to offer limited licences to International Banks to undertake offshore banking operations from offices located in Bahrain.

If the Offshore Banking market develops as planned, it may well have a profound effect on the international banking scene in creating a new centre for dealings in a large proportion of the free market liquidity now so essential to the financing mechanism of our world to-day.

How could it be that as late as 1975, given all the years that world money markets have been developing, a new centre could begin to establish itself, and why should that centre enjoy advantages comparable with existing markets and over and above alternative locations? The answers are numerous; some based on recent developments, others rooted much further back in time.

**Geographical**  
Bahrain, an island State off the southern coastline of the Gulf, lies within 20 miles of the industrial centres of Saudi Arabia's Eastern Province. The State of Qatar is 30 miles to the east, Kuwait 270 miles north-west and the United Arab Emirates (Abu Dhabi and Dubai) 270 miles south-eastward.

Bahrain is at the centre of the Arabian Gulf.

**Commercial**  
For centuries Bahrain was the centre of the Gulf's pearl

trade as well as an entre-pot port. When the Japanese cultured pearl destroyed the price of the natural variety, Bahrain was fortunate to be the site of the first oil discovery in Southern Arabia.

Though by to-day's standards relatively tiny, oil revenues enabled Bahrain to develop education for boys and girls and thereby establish the cadre of educated Bahrainis now the State's invaluable asset for the administration of Government, commerce and industry.

**Communications**  
Bahrain's administrative lead over its neighbours resulted in its development as a communications centre: international airlines used it as a Gulf stop-over and staging point on their East-West routes, and international telecommunication operators made it a vital relay point in their world-wide networks. Bahrain also became the operating centre for the regional airline, GULF AIR.

**Industrial**  
Dependence on oil was reduced by the Government's decision to introduce heavy industry with the Middle East's largest aluminium smelter, powered from the island's extensive natural gas field. Ancillary industries based on the product have been introduced.

Now, OAPEC's super-tanker dry-dock (the Arabian Ship Repair Yard—ASRY) to be built off the Island, introduces another heavy industrial complex.

**Financial**  
The oil-price increases of 1973 produced a vast increase in every aspect of development in the Gulf Region. Even so, many

Governments became holders of massive amounts of investment funds, which could only be placed in the short-term in Western money markets.

Troubles in Lebanon made it impossible for Beirut to continue serving as a market for major deposits of oil funds. The time-zone difference was too small to permit a distinction in trading hours.

The Bahrain Monetary Agency therefore decided to create a new market to handle the regional service funds.

The Agency realised that Bahrain had the following significant advantages:—

1. Freedom from corporate, withholding or personal taxes.
2. Good airline and telecommunications and postal services.
3. A time-zone, allied to working hours, that fitted neatly between Singapore and Europe.
4. A location in the centre of the world's wealthiest region.
5. Well educated manpower.
6. A stable Government and reasonable living environment.
7. A tradition of trading and an open society.
8. Freedom from excessive bureaucracy.

It therefore created the Offshore Banking Unit, emphasising the purpose of undertaking non-resident business, creating a market capable of handling, in the Gulf itself, investment of surplus oil funds and insisting that Banks' Bahrain branches must be full dealing centres.

That International Banks believe in; the concept is

clear; 30 O.B.U. licences had been applied for by December 1975. That the service is attractive is proven by the fact that \$1.5 billion had been handled by the end of 1975.

It is expected that other institutions such as Merchant Banks and Discount Houses will be added to the Foreign Exchange Brokers already establishing themselves in Bahrain to strengthen links with Singapore and London.

One important by-product will be the wider international use of the Kuwait Dinar, Saudi Riyal and UAE Dirham, in international money markets. Arab investors will themselves be enabled to denominate claims of borrowers in Arab currencies, recognising the consequent impact on interest rate structures.

Bahrain sees this move as a logical extension of its traditional and historic role as a service centre, and as a magnet for other activities normally attracted by a financial market.

For more information consult:—

 The Bahrain Monetary Agency  
P.O. Box 27  
Manama  
Bahrain

Telephone:  
Manama 713772  
Telex: GJ 8295  
Cable:  
NAKDELBAHR

## BAHRAIN II

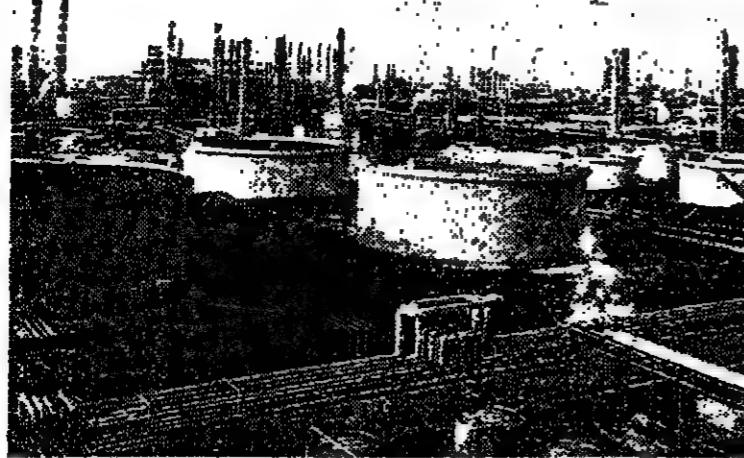
*Yusuf bin Ahmed Kanoo*

Bahrain's economy is fortunate in having fresh growth sectors to replace the declining oil asset. However, the island is well placed to attract Gulf business, the infrastructure is being improved and the labour force is better trained than that of many of its neighbours.

# The economy



S.I.R. is one of the largest European companies in the field of petrochemicals and petroleum products, synthetic resins, fibres and rubbers. It has also widely diversified activities: industrialized building, fibreglass, packaging, plastic films, foamed polyurethanes, furnishing fabrics and household products.



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Tel. 2681527 - Telex 292254 SIRFRAN F

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Tel. (0911) 310061/2/3/4/5 - Telex 04/11058 DUREP D

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Tel. 2289490 - Telex 82928 SIERA E

S.I.R. HELLAS - P.O. Box 1679 - Syntagma - Athens - GREECE

Tel. 03021/8238468 - Telex 214783 SIR GR

ANY FOREIGNER coming to Bahrain for the first time could easily be forgiven for thinking it is just another oil-rich state. All the superficial elements are there — hectic construction activity, multi-storey blocks forging a new skyline, business men and bankers packing into overcrowded hotels, rents and cost-of-living spiralling under the demand of expatriates and a general generation of wealth. But there is an important difference in the case of Bahrain. Although its economy is oil-based, it possesses oil in limited and diminishing quantities. Moreover in comparison with the other states of the lower Gulf its economy is broader-based, its labour force is more trained, its education longer established, and its tradition of trading deeper rooted.

Thus the boom which has been in evidence for the past two years has been due only in part to the rise of its own oil revenues. Equally significant has been the fact that Bahrain stands right in the geographical centre of the major oil producers, enjoying the spin-off in particular from Saudi Arabia and the United Arab Emirates. With its better developed infrastructure, good telecommunications and air transport facilities it has proved that it is the best place to do business from in the Gulf—even though there is less actual business to do in Bahrain than elsewhere in the neighbouring states.

The oil industry remains the biggest single source of income, providing over 85 per cent of total revenues. The industry itself is centred round production from Bahrain's own small onshore field, a joint 50/50 offshore venture with Saudi Arabia, and the Caltex/Bapco "swing" refinery (which with its 255,000 b/d throughput, mostly processes Saudi crude). The life of Bahrain's own field is limited to a maximum of 20 years and production is now down to 55,000 b/d against a high of 76,000 b/d, and in future increasing reliance will be placed upon the offshore joint Saudi operation which already provides roughly half of Bahrain's total oil revenues.

The Bahrainis, whose own oil has been in production since 1932, have been fully aware of this wasting asset, and have now established or are in the process of establishing two alternative industrial sectors—aluminium and a dry dock. The aluminium industry is based round ALBA (Aluminium Bahrain), whose \$230m smelter went into production in 1971. This was the first smelter in the Gulf and was established on the rationale of utilising the large quantities of non-associated gas, available—plus exploiting Bahrain's geographic position. Although sales have been disappointing this year due to slack market conditions, the go ahead has been given to an extrusion plant, and an atomiser, while a rolling mill is being studied, thus providing the necessary ancillary industries.

The decision, announced last September, was the result of careful calculation by the Bahrain Monetary Agency. The agency's calculation went something like this: the whole region is a lender of foreign exchange reserves to the Eurodollar market. Until now this money has been placed with banks in Europe, particularly London, and in New York. Thus Gulf depositors have been forced to do their business outside the region, using outside facilities and outside their working hours. Therefore, by allowing the banks, who are the primary takers of the funds, to open offices in Bahrain then at least some of this business will be done there, with the added advantage of Bahrain being half-way between Singapore and London time zones to permit trading in both places.

But these two major capital intense projects are almost certainly the last for the moment. The island, which is only 225 square miles in size, cannot really cope with much more large scale industry. In broadening the base of the aluminium industry there are pollution problems to contend with. But perhaps more important is the question of manpower. ALBA, which has taken five years to build up its 2,650 labour force employs almost 5 per cent of the island's total workforce. Any more industries on this scale would involve the wasteful depletion of Bahrain's skilled labour force and also mean importing further quantities of foreign labour. As it is, the South Koreans constructing the dry dock number over 1,500. This in turn puts further pressure on housing and other services. Quite apart from these considerations the Government is anxious to husband its gas resources for existing industry and domestic power needs. So the emphasis from now will be on small-scale projects in the industrial sector.

At the other end of the industrial picture is the construction of a \$120m drydock. Bahrain canvassed hard with OAPEC to be selected as the site for this joint Arab project. When complete it will be able to handle tankers of up to 350,000 dwt.

Some of this business will be done there, with the added advantage of Bahrain being half-way between Singapore and London time zones to permit trading in both places.

According to Mr. Alan Moore, the Director of the Monetary Agency, who has master-minded the scheme: "What we are looking at in Bahrain is fundamentally the shorter-term market, where dollar deposits of multinationals up to the conventional six months can be placed with branches of international banks operating here. Those banks will in turn use their offices here to finance part of their loan portfolio, especially those loans which they are making to Arab countries in the region." The aim is to establish Bahrain as a centre of equal importance to Singapore whose volume of business is \$10bn.

The difference being that Singapore will be biased towards depositing.

Since the scheme was announced licences have been granted to 26 banks to open offshore branches including such blue chip names as Citibank, Chase, Lloyds International, Natwest, Algemene Nederland, and a general short-term bank, Société Générale and Kreditbank. There are also six Arab banks, while seven of the forward, the new budget (yet to be announced) is likely to

see a 35 per cent increase in current expenditure, and an almost certain deficit. According to a senior Finance Ministry official "it is becoming more and more pressing to discuss other sources of revenue." This could be either in the form of Treasury bills or via loans raised with the offshore banks. The problem is that the Government, as a matter of policy, is reluctant to consider corporate or income-tax as a fiscal weapon since this would then leave Bahrain out of step with other Gulf states and erode the advantages, which are sometimes marginal, offered to business in Bahrain.

## Statistics

On the payments side the past two years have witnessed overall surpluses of BD45m. and BD14m. respectively. No detailed payments figures have ever been published but from trade statistics it is clear that there is a sharply deteriorating picture in the terms of trade, the deficit moving last year from BD106m. to BD150m. This is a trend which is likely to continue. However, to counterbalance this, Bahrain has traditionally been able to call on substantial undisclosed inflows of funds from Saudi Arabia, Kuwait and Abu Dhabi and to a lesser extent from Iran. In addition these were boosted last year by capital coming in for the drydock project and a healthy rise in the travel/tourism sector worth some BD8m. This is likely to increase, and the picture should be helped once the world market for aluminium picks up. Sale of current ALBA stocks could boost foreign receipts by BD10m.

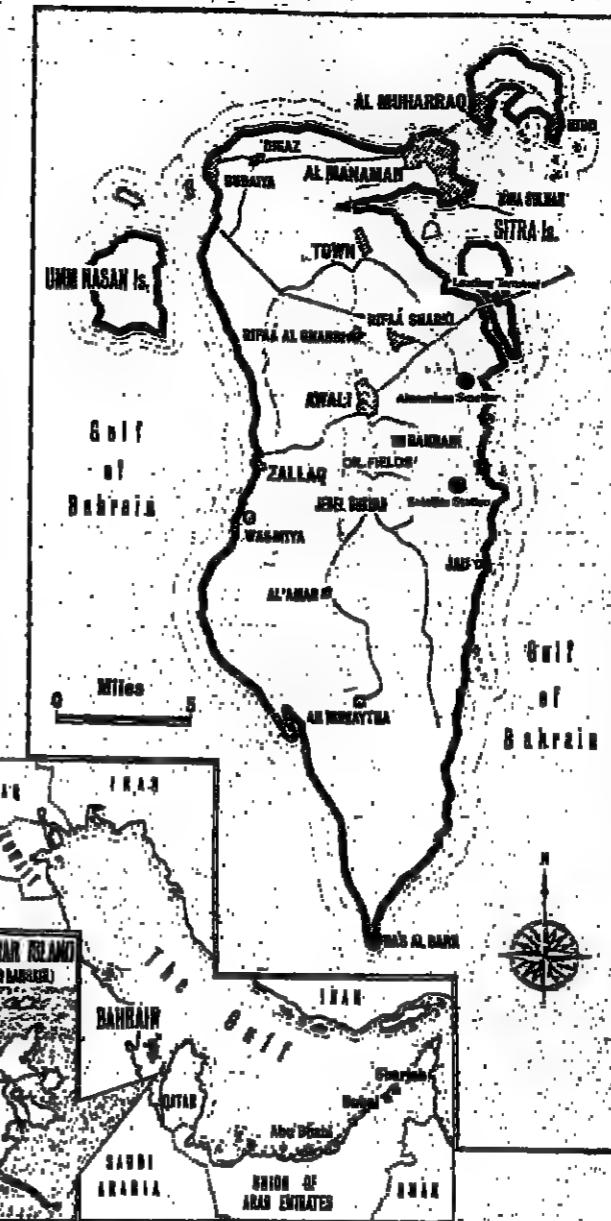
Unlike the other states in the Gulf, the boom which Bahrain is enjoying is not entirely due to a hefty injection of funds by the Government. As can be seen from oil revenues and the payments situation, it does not have such funds available. The boom in good measure is due to the injection of private and foreign capital combined with a healthy entrepot trade (30 per cent of imports are re-exported to Saudi Arabia). The absence of large scale Government expenditure—although some may find a disadvantage—does nevertheless act as an important dampener on inflation, and has helped to prevent the economy from some of the distortions of neighbouring states. There is tremendous pressures on rents and wages, but in general inflation has been kept below 25 per cent. Money supply is expanding at around 30 per cent, which is still substantially lower than neighbouring states. (Currency in circulation outside banks, plus sight deposits of residents — M1—increased last year from BD68.7m. to BD78m.)

The problems which Bahrain now faces differ in kind rather than substance from those of its neighbours. Its population of 265,000 has a higher indigenous content than any other Gulf state save Oman, being about 70 per cent. But it too has to rely upon expatriate skills.

With a population increasing at 3 per cent a year it has to be careful not to create a situation whereby more labour than necessary is imported against fear of future unemployment. Although inflation is probably at an acceptable level, it will have to be constantly checked not just to prevent overheating but because there are a large number of low income Bahrainis who, despite Government subsidies on essential foodstuffs and power, are suffering from rising prices. The Government also has to be careful not to price itself out of the market as a regional centre for foreign companies. Quite apart from this a sizeable portion of the merchant class will need to learn that making money does not only consist in living off commissions.

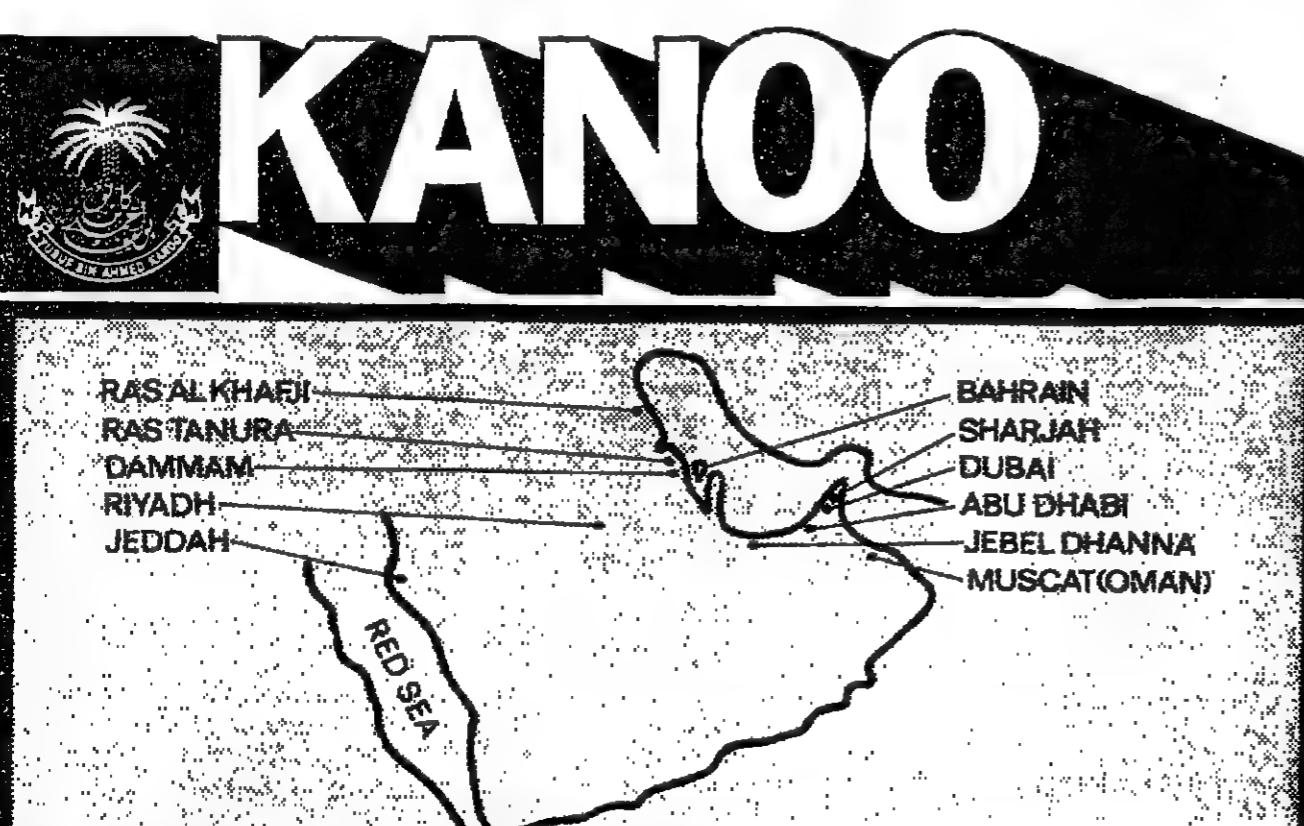
But having said this, it would be churlish not to say that Bahrain's economic prospects are healthy. In its geographical position, its welcome to foreign business, its free access to officials, its easy-going accommodation of Islamic and Western life styles, and the willingness of its own population to work, Bahrain has major assets which it is capitalising on and should be able to do much more in the future. This will be particularly the case if the causeway to Saudi Arabia finally goes through. For this project could transform Bahrain's relationship to its rich neighbour into that of Hong Kong to China.

Robert Graham



## BASIC STATISTICS

AREA:	250 sq. miles
POPULATION:	265,000 (est.)
Income per capita:	\$1,250
FOREIGN TRADE (1975):	
Non-oil imports (to Sept.):	BD183m.
Oil (crude) imports (to Sept.):	BD173.6m.
Non-oil exports (to Sept.):	BD64.1m.
Oil (refined) exports (to Sept.):	BD252m.
Imports from U.K.:	£60.9m.
Exports to U.K.:	£17.5m.
Currency:	£1 = 0.799 Bahraini Dinars



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- Tankers
- Oil Cargo Vessels
- Small Craft
- Work Boats

### TUG AND BARGE OPERATORS

- Cleaning and Forwarding
- Packing
- Warehousing

### MANUFACTURERS' AGENTS & DISTRIBUTORS

- Construction Equipment and Supplies
- Oil Field Supplies

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- All Risks Covered

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- Business Advisory Services
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REPRESENTATIVE OFFICES

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**YUSUF BIN AHMED KANOO**

## BAHRAIN III



The Ruler of Bahrain, Sheikh Isa bin Sulman al Khalifa (right) with his son the Heir Apparent and Defence Minister, Sheikh Hamad bin Isa al Khalifa (centre) and his brother Sheikh Khalifa bin Sulman al Khalifa (left), the Prime Minister.



Mr. Ebrahim Abdul-Karim, Minister of Commerce, Agriculture and National Economy since September and previously Under-Secretary of Finance. Widely regarded throughout the Gulf as one of the brightest young economy Ministers in the Arab world. Mr. Abdul-Karim now holds the vital National Economy and Agriculture posts.



Mr. Ahmed Kanoo, Head of the Gulf-wide Kanoo Organisation, which has its headquarters in Bahrain. One of the most famous merchant families of Arabia, the Kanoo have been trading with United Kingdom on a regular basis for over 100 years. The Kanoo interests lie largely in shipping, marine supply and repair and agency business.



Iahmoud Al Alawi, Minister of Finance in the Bahrain Government. He has been controlling Bahrain's purse strings since 1928 and is now in his late 70s. Known as the "father of Bahrain" for his role in instructing many of today's leading lights in the rudiments and refinements of government and finance.



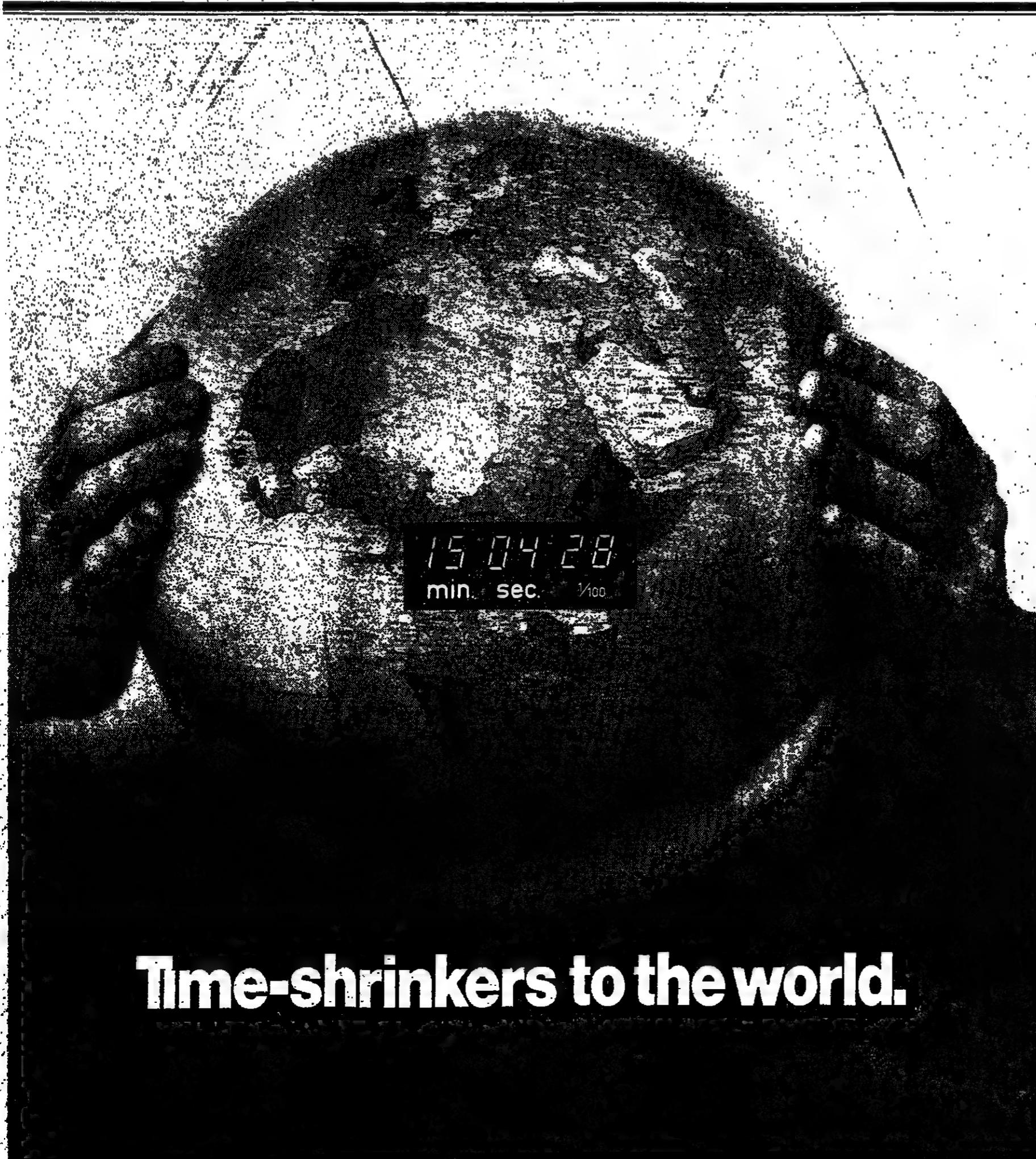
Sheikh Mohammed bin Mubarak al Khalifa, Foreign Minister of Bahrain since Independence in 1971. Previously in charge of Information matters under the British protectorate. A leading member of the "inner Cabinet" of influential ministers.



Mr. Yousuf al Shirawi, Minister of Development and Industry. A leading cabinet member since Independence. Mr. Shirawi is known for his great energy and for his two great industrial achievements—bringing the ALBA smelter and OAPEC dry dock to fruition on Bahrain's soil. He recently pushed for his Ministry to be broken up into more manageable units since September ministries of housing, communications and works with electricity and water. Mr. Shirawi is a qualified engineer.



Mr. Mohammed Jallal, a leading member of Bahrain's merchant community who is well known as an agent, contractor, importer and is a former Chairman of the Chamber of Commerce. His companies and agencies cover the whole sphere of Bahraini commerce, with particular reference to vehicle imports and construction.



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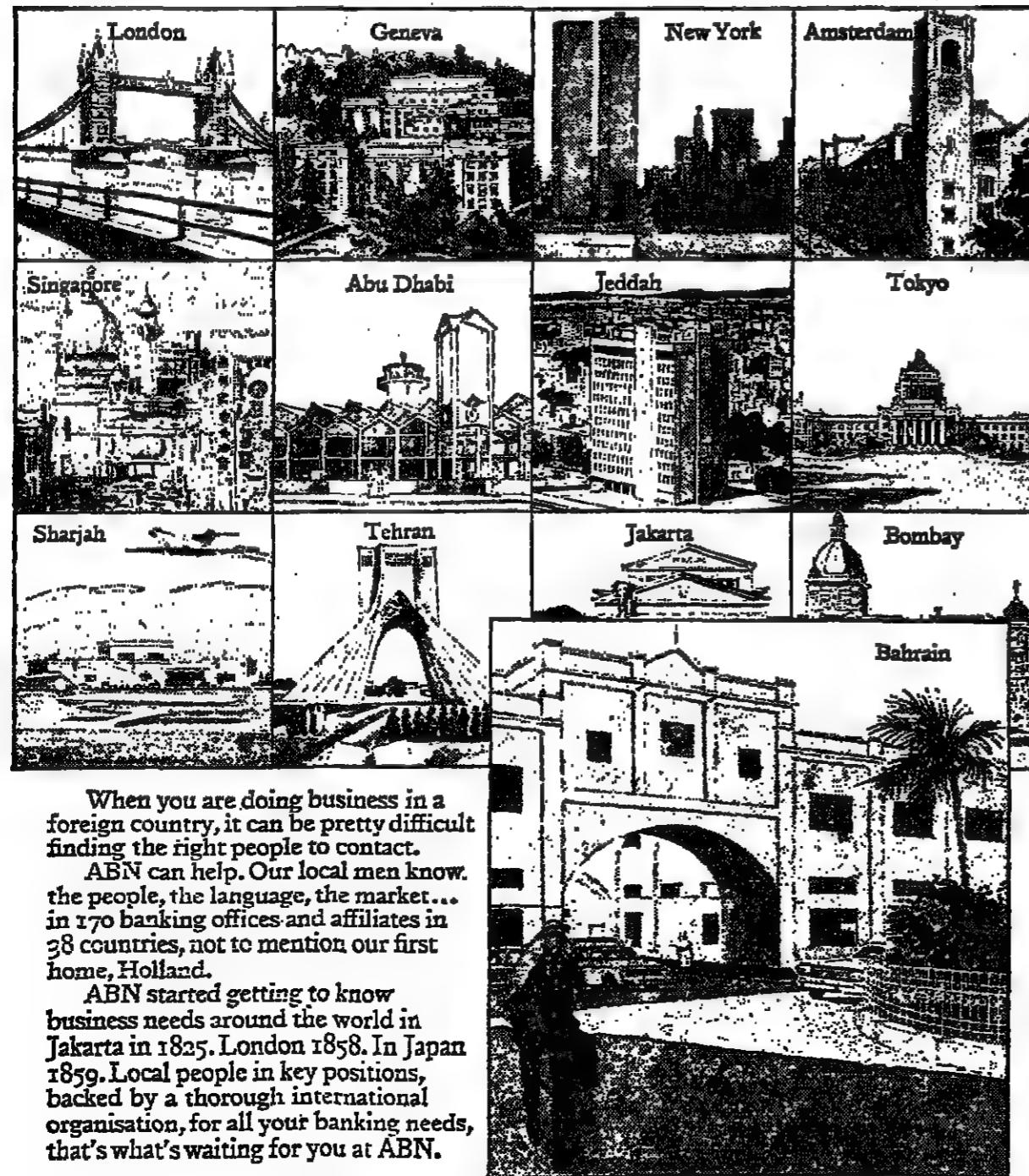
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## BAHRAIN IV

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## Business centre

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## BAHRAIN VI

Bahrain has begun to see an increase in financial activity over the past year, particularly in petrodollar dealings. But licences for commercial banks are now much harder to obtain.

ALL THE banking news to emerge from Bahrain recently has concerned the increasing number of offshore banking units licensed to operate. The current total is 27, and the increasing amount of petrodollars that they are handling, the latest estimate was \$1.5bn. It is probable that another three banks will join this elite group in the next month or so and that the market will become truly active when all 30 are operating around March or April of this year.

But meanwhile Bahrain's 16 (soon to be 18) commercial bank branches have not been doing too badly for themselves. One of the older established of the fraternity is known to have increased its profits ten times to around BD2m, over about a couple of years. However, enough is enough, Bahrain's Monetary Agency has firmly stated that no more licences for commercial banking will be issued as the country is "already adequately served." Others have even suggested that 18 banks in a country with an estimated working population of 70-80,000 (not counting Western expatriates) and only a handful of multi-millionaire families is a trifle excessive. Inevitably the bulk of the business is done by the top six banks but there are a number that serve specific, limited community needs. The two Pakistani banks, for example, the United Bank and the Habib Bank must be largely supported by the thriving Pakistani community in Bahrain. And the existing banks think the number is just right.

The lending market in Bahrain is pretty limited, the Government hardly borrows, loans, particularly in construction and real estate projects, are for one or two years for, with rents on new three-bedroom houses touching the £1,000 a month mark, the Government has a 60 per cent. stake, (though there are a host of small workshops), agricultural needs are minute. That domestic banks in Bahrain are leaves principally trade—for branches of long-established Bahrain has to import virtually all it consumes other than oil suggested, helped restrain the course it supervises interest or aluminium—and construction levels of lending because these rates, in particular publishing guide lines as to the maximum rates imposed from outside) is the

DIRECTION OF LENDING						
	Dec. 1973	Dec. 1974*	March 1975	June 1975	Sept. 1975	
TOTAL BD .....	73.9m.	123.0m.	127.1m.	147.6m.	156.9m.	
Sector						
Manufacturing .....	15.45	12.16	12.11	12.68	14.80	
Agriculture .....	0.01	0.30	0.04	0.05	0.06	
Construction .....	16.79	21.89	21.38	22.82	23.24	
Trade .....	40.28	47.89	47.72	48.77	45.36	
Transport .....	6.49	4.70	4.87	4.17	3.56	
Government .....	3.37	1.93	1.37	1.46	0.48	
Personal .....	8.69	6.90	5.44	4.99	4.55	
Other .....	8.42	6.35	5.57	7.06	2.87	

\* 1974 onwards, residents only.

Source: Monetary Agency quarterly bulletin.

took up the largest amount of lending proposition. It could money, some 45 per cent. of the BD156.9m., with construction taking only half as much, a little over 23 per cent.

While the amount lent since 1973 has more than doubled the borrowing picture has not greatly altered. In 1973 construction took a little less than half as much as trade, in 1975 it took almost exactly half as much. The borrowing structure is also extremely simple, largely because of the quick returns in construction, but also because of the innate conservatism of the Bahraini merchant and developer.

"The Bahraini has a strong sense of privacy regarding his business affairs," comments one newly arrived banker, "it means

bankers may not always get to know as much about his business as they would like until a mutual trust has been established, and that takes time." Although some of the banks have made loans on a five or seven year basis, these are far and few between. Most loans, particularly in construction and real estate projects, are for one or two years for,

with rents on new three-bedroom houses touching the £1,000 a month mark, the Government has a 60 per cent. stake, (though there are a host of small workshops), agricultural needs are minute. That domestic banks in Bahrain are

leaves principally trade—for branches of long-established Bahrain has to import virtually all it consumes other than oil suggested, helped restrain the course it supervises interest or aluminium—and construction levels of lending because these

rates, in particular publishing guide lines as to the maximum rates imposed from outside) is the

these are: 6 per cent. on one month's money, 6½ for three months, 7 for six months and 7½ per cent. for a year. Consequently lending rates tend to be a couple of points, give or take a half or a quarter, above these guidelines, with deposit rates hovering below, depending on the banks' perceived need for cash.

In August last year the Monetary Agency introduced further controls on the commercial banks by calling in interest free balances from them. These balances are directly related to banks' liabilities in both Bahraini dinars and in foreign currency; for the former 5 per cent. of the total has to be deposited, for the latter it is just 1 per cent.

The commercial banks have all agreed that these controls are necessary and, even if they do bite slightly, they are really in the interest of the public.

But in addition to regulating the banks, the Monetary Agency has also created solutions to certain problems experienced in the banking system. The solutions are not revolutionary but did need some central agency to create them. For example,

it was an immensely profitable area of business for all the

banks until the Bahrain

Monetary Agency, two years old

in law but one year old in

practice, decided to regulate the business in the course of its

general control on banks. Now

foreign exchange is merely

profitable, as are the other

banking services on offer to the

general public. (Bahrain-based

banks follow the British pattern

of banking writing cheques on

an empty account is merely a

civil offence.)

The Monetary Agency is in

fact if not in name, the central

bank of Bahrain. It issues and

redeems bank notes, it regu-

lates, and maintains, the value of

the Bahraini dinar in the

exchange market, publishing

daily the rates at which it will

sell certain foreign currencies

to the commercial banks and of

course it supervises interest

or aluminium—and construc-

tion levels of lending because these

rates, in particular publishing

guide lines as to the maximum

rates imposed from outside) is the

claim to a position among the

international financial centres of

the world. The country is a con-

venient stopping point as money

travels through time from the

Arab world to London, to New

York, and to Singapore. It also

happened to be a crossroads for

physical and telephonic com-

munications. But many of the

usual accretions of a financial

centre have yet to accumulate

around the domestic and off-

shore banks. A money broker

will shortly set up office in

Bahrain and bankers believe the

market could use three, one

London stockbroker has based

its Middle East representative

office in Bahrain but as yet none

of the big name interna-

tional banks have

agreements with Bahrain

to open branches. And there

are at least ten representa-

tive bank offices as well as a

chartered surveyor.

The rest will do in

time, the island is

small and its infrastr

pushed to keep up with

even though houses for

expatriates seem to be

rooming everywhere, t

of trained personnel

easy to increase. And

likely to draw the c

to like life in Bahrain

need to staff as fully as possible Bahrainis feel they can get a better return on their money at a present very few with the home and a certain amount of necessary skills. So inevitably private capital is flowing back there has been a certain amount into the country. And real of poaching (which will increase as the offshore estate is not the only investment) The public will soon be operations start to take on offered half the shares in the staff with a subsequent spiral new Continental Bank promoted by Continental Illinois who will manage it. The launching of the bank will bring

bankers queried: "Then how many of joint stock companies up to a round dozen of the big name international lawyers are here, however there are at least one big name accountancy practice already here. And there are at least ten representa-

tive bank offices as well as a chartered surveyor.

The insurance markets seem to be well catered for with many world-known names in evidence. But there is as yet

no form of very long-term lending, say 20 or 25 years, for individual house purchase loans.

And yet, as more and more Bahrainis become modestly well off middle class—a process to which the banks will contribute greatly—some way of enabling them to buy their own houses could become necessary.

DOING IT

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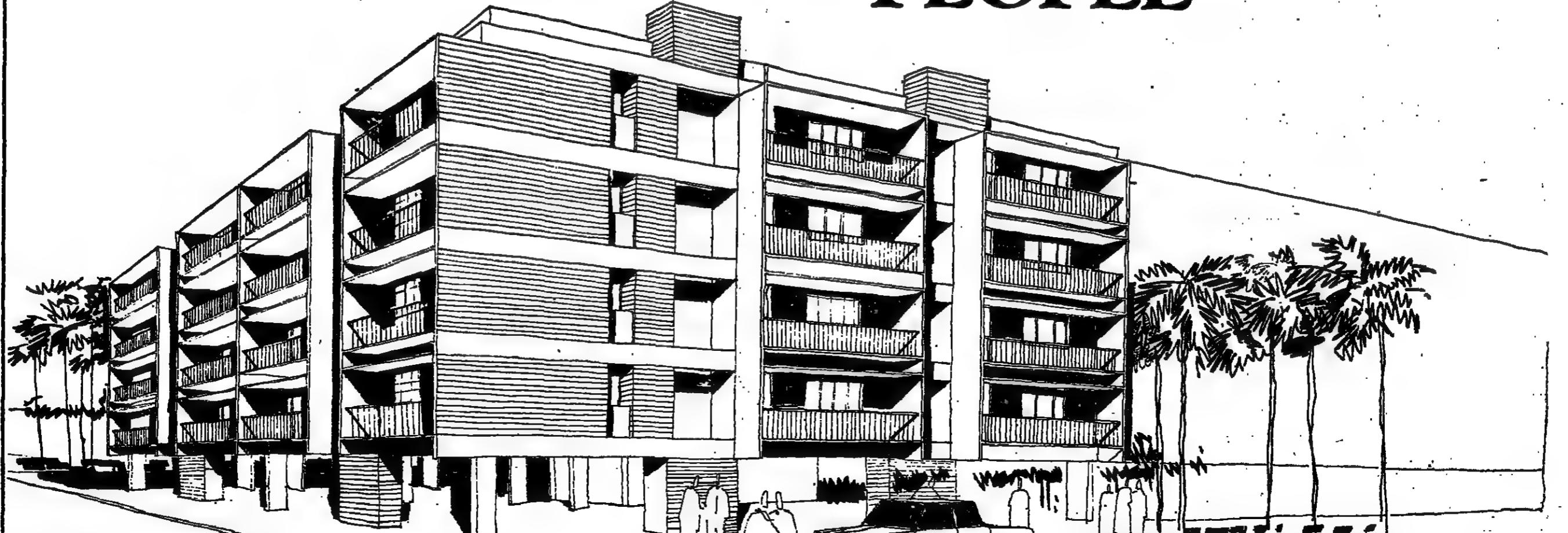
# Banking

THE JUMP of over one-third a year in which the estimated value of Bahrain's imports physical tonnage of imports has during 1974, matched by an almost equal increase in ship tonnage handled, did not reach a third. In value terms Bahrain's imports just beat 1974's imports by about 10 per cent. The rate of world inflation, the world of goods that year, though not all from the U.S. Two reached virtually the same share of the Bahrain imports. But in 1975, an inflation for a contract outside. Brown and Root brought in some 50,000 tons of pipes, another consultant brought in the coatings for Bahrain's merchant ships. Add to this the import of heavy contractors' plant for the beginning of Bahrain's construction boom and the probable BD176m. import market. And the figures—hid yet a third truth—that nothing very much happened in the Bahrain import market in 1974. It is now to Bahrain—number two. In physical terms the success of the American motor cars which had just begun to afford, and some reasons for the American success begin to show.

But as the figures for BAPCO, for example, are put together it is a lot of heavy plant for its new plant to look as though it's advance was on in total it imported some \$20m. event. By the half year of 1974, as British exports to Bahrain brought in heavy goods 1974. As British goods for the beginning of Bahrain's construction boom and the probable BD240m. import market. Bahrain's liking for large United States resumed. In British eyes at least, its right place to be. In the league of exporters themselves. And in 1975, the United States resumed. In physical terms the success of the American motor cars which had just begun to afford, and some reasons for the American success begin to show.

CONTINUED ON NEXT PAGE

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## BAHRAIN VII

Vocational training is high on the list of Bahrain's priorities. Although labour is plentiful, trained workers are not, and there is still a reliance on non-Bahraini skills and expertise.

THE most important 35-40,000 but it must be remembered that women as yet form but a minute part of the working population. Current estimates suggest that for every working Bahraini there is one working immigrant, giving a total estimated labour force of 70-80,000 and if the number of women who could work, did so, it would push that number to over 100,000.

However, numbers alone are not sufficient to attract those service industries. Bahrain wishes to see in the island of cope with the country's plans for further industrialisation, and its present development boom generally. There has been free secular education in Bahrain for over 50 years now and increasing numbers of the population have been taking advantage of it. The levels of education are primary, intermediate and secondary, which level also has technical and commercial streams as well as the conventional arts and sciences.

There is also the Gulf Technical College which was established in 1968 and now strain economically active in the areas, eases for around 1,100 Gulf and other

# Manpower

now becoming something of a country of the other Arab problem for the early shareholders. A temporary players. Whereas in the early training centre has been opened 'sixties BAPCO used to lose in Muharraq (from where the around 4 per cent, of trained causeway goes to the dock) and personnel a year, now with the by the middle of this year the boom in progress, the figure is definitive training school will be nearer 10 per cent—and these in operation with a capacity of are not all industrial workers, around 250-300 trainees. Inten-some clerical go too. As the five training programmes will costs of training are high—the also be organised for middle company estimates it spent management, it is estimated that around £35,000 on just one of 16 per cent of the managers its now highly placed technical will be Arab initially and that this causes some distress the whole company will be

80 per cent staffed by Arabs within ten to 15 years.

The manpower problems facing Gulf Air are slightly different. At the same time as growing from a local service to scale industrial activities, and that of the increasing service

company estimates it spent management, it is estimated that

around 500 per cent in the process, if the present social fabric of

also tries to implement a policy of

"Arabisation" where

Bahraini workers come to feel that they are losing out. Over

50 years of education have given Bahrain the Gulf's best educated

labour force but also its most independent minded. Last year

there was sporadic industrial

unrest, with ALBA as a particular target.

Although all seems quiet now, it is the possibility of unrest through discontent that makes the vocational training programme, along with those

programmes sponsored by the large industrial and mercantile

companies, so extremely important.

And equally important will be the new legislation due

before mid-year, on labour

relations and social security. As Bahrain progresses firmly to

wards the goal of a modern

industrial country, the ordinary Bahraini must be convinced that

his place in this new society is both secure and comfortable.

D.T.

## Technical

Additionally the Saudi Arabian Government confirmed at the end of January that it would finance the building of a technical institute near the Gulf Technical College. The estimated cost would be BD13m. and it is proposed to offer secondary technical and commercial courses (boys only) for an estimated number of 1,600 students by 1978. This would leave the Gulf Technical College free to upgrade its own courses towards degree stan-

This educational structure the payroll for full time training in stages, while in the pre-oil boom days had in the pre-oil boom days ing. But in-plant, or on-the-job employed, towards the standing

made Bahrain a net exporter training are seen as the most of a trades or craftsman.

Three of the country's major

now been reversed. The Government, at present, employers already have exten-

country's plans for further intends to fund the training

five training schemes. These

are Gulf Air which employs

the immediate employer, and 4,000 people, 90 per cent

Bahrainis; the ALBA, the aluminium smelter and original

spinehead of Bahrain's

representatives as well as the acquisition of Western indus-

trial and commercial skills by

Arab nationals requires a high

degree of fluency in a foreign

language, again mostly English

and the student or trainee. It

up, the one for the construction

industry (where the vocational

training need seems most

those involved in vocational

training) has already come into being. It is hoped that Bahrain should be given "in the

considerably when the company

employers, whether national or language appropriate for the

Western world, are also

imminent at ASRY, the Arab

Shipbuilding and Repair Yard

based in Bahrain which is

physically due to open in 1977.

ALBA had to start from scratch when it was founded in

1954. Then it should be employing

some 1,500 people, mainly from

Bahrain but also from

## Quickened

BAPCO has been training

people, of necessity as well as

out of good will, almost since

the high technology and com-

plex industrial skills of the

'thirties, but the pace quickened

considerably when the company

decided on a conscious pro-

gramme of "Bahrainisation" in

1954. ALBA had to start from

scratch when it was founded in

1954. Then it should be employing

some 1,500 people, mainly from

Bahrain but also from

Retaining skilled labour is

extent of sending workers on

ing whereby a labourer can



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BAHRAIN TRADE PATTERN					
BD 000	1973		1974		1975
	127.8	28	176.9	38	
	% increase	% increase	% increase	% increase	
000	000	000	000	000	000
17.6	14	31.7	18	56.0*	15
24.1	18	23.7	15	41.0*	17
5.1	4	8.3	5	11.0*	4
3.9	5	8.7	3	10.0*	4
15.1	12	23.2	13	27.0*	12
7.6	6	11.2	6	15.0*	7

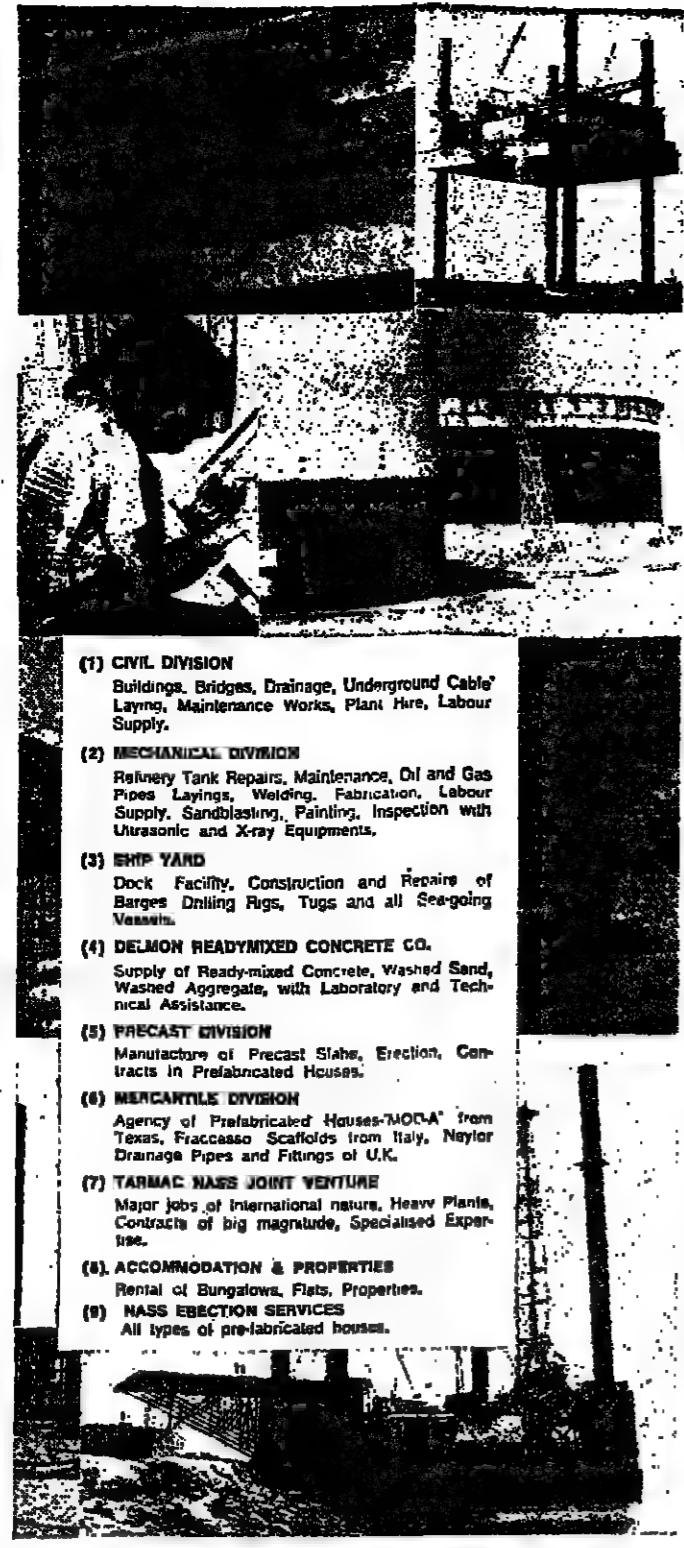
it peaked towards footwear and low unit price of that year to about household items. However, management Japan has a particular importance for Bahrain as it was Touché Rose were the principal buyer for the doing an organisation of the port and port 1974. It took nearly three quarters of production, over a end of the year. A third of Bahrain's total exports manager was a contractor, and the delays are about one third to one year. But the con- probably the most important single roblem did Bahrain source of food, in particular 275 (in the course of chilled and deep frozen meat, port tonnage probably and China is coming up as a by much less than a supplier of textiles, clothing.

almost all ports world- This is partly due to the is a labour problem. This is a restraint on Japanese metal skilled workers and buyers as well as the deliberate workers as well as diversification of market by a contractor, and the stockpiling of some 1,400 people, is some 60,000 tons (nearly six months' production) until the it goes out to tender years. It is not much The principal imports of Bahrain after food, are textiles and clothing, iron and steel for construction, transport equipment and machinery of all kinds. West Germany, and Japan as well as Britain and the U.S. are big suppliers of trans- the port's skilled port equipment. In 1974 Japan labour back to Aden; took the lead, illustrated per- son in Iran drew the perhaps trivially by the fact that an labour back home. many people in Bahrain now have the problem of identifying their white Datsun from among all the others. While West Germany and Italy are big suppliers of textiles and furniture to the up-market shops, as under discussion to some degree in the U.S., it has seen a steady Japan and China seem to air freight over the years. The total textiles (Polish textiles are cargo handled, both noticeable too) and China is increasing seen to be supplying 3m. kg.; it rose to 1974. The low priced household items, in kg. in 1974. The inroads that Chinese goods are making on the Bahrain market—the value of Chinese imports has trebled over the past five years while neighbouring Gulf? The Bahrain import market value steadily increasing has just doubled—could be that with Saudi it all a two-way trade. A serious second wave Far Bahrain exported Eastern presence in Gulf worth of goods to markets. Already the South Korea have won multi-million mainly food items dollar contracts in about two fruit and vegetables. years of intensive marketing their contracting abilities. Bahrain's trade with Gulf states, Abu

D.T.

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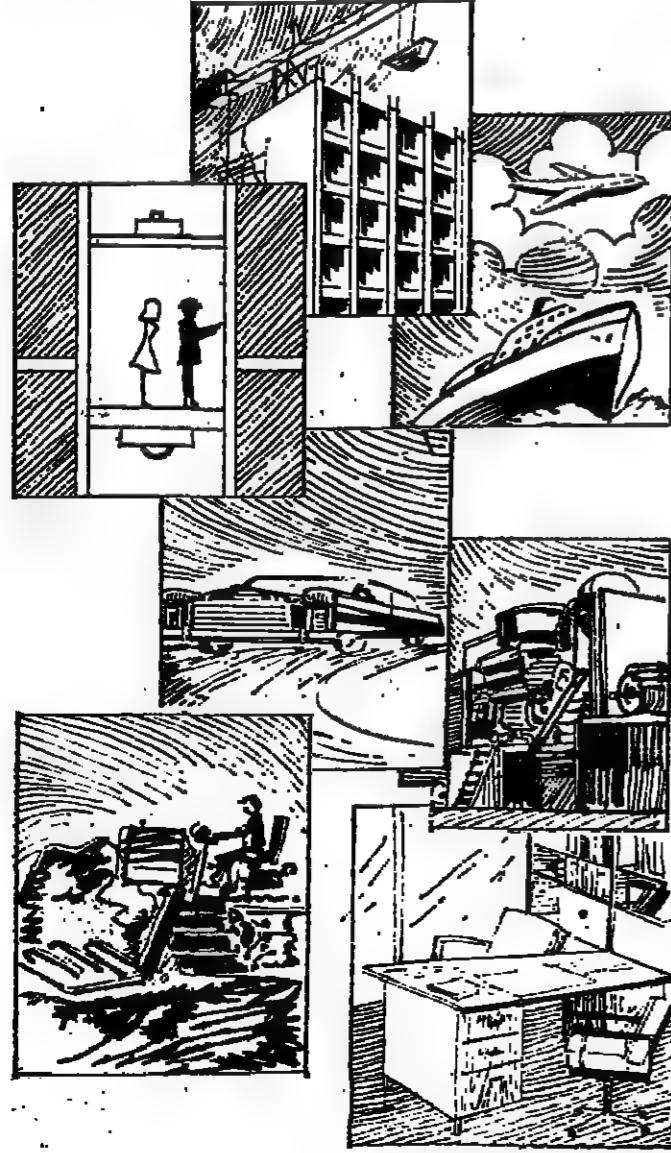
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Bahrain's infrastructure is currently undergoing a thorough overhaul. Power and water supplies are being stepped up, sewage treatment improved and ports developed.

THE POST-1973 boom in these islands has caused the Ministry five years ahead of time. of Development and Industry Plans are now in being to construct a third power station drawn up in 1970-71 for what was then thought would be a demands. The biggest problem, however, is the distribution of power once generated, and this is a major part of Sofrelec's assignment.

Statisticians, after the most painstaking calculations, have now come up with the startling figure that Bahrain's population is likely to reach 580,000 by the end of the century (present population is about 260,000).

Much more concentrated activity is now essential in power, water, sewerage and the development of the airport, the harbour, roads and the projected causeway to Saudi Arabia.

To revise the power requirement, the Ministry of Public Works, Electricity and Water has engaged the French firm Sofrelec, who are associated with Electricité de France to review future electricity and distribution needs until 1985.

Preliminary results of their study indicate that Bahrain will need installed capacity of 400 MW in 1980, 900 MW in 1985, 1,200 MW in 1991 and about 2,000 MW in 2000 AD. Last summer there was a total installed electric power capacity of 180 MW at the municipal power station at Juffair and the new Sirra Power and Water Station combined. Peak demand last year was 145 MW. By this summer it is hoped to increase installed capacity to 220 MW by operating a second unit at Sirra plus two new gas turbines at the capital's twin town of Muharraq. Anticipated maximum demand this year is 195 MW, an increase of 30 per cent over last year. The plan of 1970 had predicted an annual increase of 10 per cent only.

## Demand

To cope with the growing demand in the next four years, the Sirra Power and Water Station programme has been brought forward one year for its third and fourth units.

When the first projection was made, the target of 200MW was to be reached in 1980. It will,

is due for commissioning in May and will produce 2.5m. gallons per day. This will be blended with natural water at a point in the centre of the island and distributed to the communities of East and West Riffa, to the Town and to various villages including Sirra itself.

The second unit of 2.5m. gallons per day, is due to be commissioned in September and water will be pumped from Sirra along the new causeway linking the plant with the port area of Umm Hassau where it will be blended. This will enable good water to be supplied to Manama, the capital, by the summer of 1977.

Water distribution, to be completed by 1978, is to cost BD27m.

Consultants for water distribution are John Taylor and Sons of U.K. A project to accommodate increasing traffic

contract for machinery has been awarded to KSEZ of Germany and one for asbestos work was going on. The airport's piping to the Eternite Company.

Coupled with the water pro-

cessing plant is now nearing completion enabling four

water tanks to be built. The second phase is now nearing completion enabling four

## Bahrain's new shipbuilding and repair

yard is due to come into operation in 1977. Korean expertise

and labour are being used for this dock which, when complete, will

be able to accommodate very large crude carriers.

## Dry dock

THE ARAB Shipbuilding and Repair Yard (ASRY), now well advanced, is the first pan-Arab industrial venture, undertaken by the Organisation of Arab Petroleum Exporting Countries, with seven members participating. It is claimed that it will be one of the world's most up to date, efficient and well-sited dry docks designed to cater for very large crude carriers (VLCCs).

Pre-opening costs are now officially estimated at \$292m. a huge advance on the original estimate of June 1970 when the OAPEC Ministerial Council decided to proceed with the project.

Located as it is in the heart of the world's major crude loading area, the chances of the dock eventually becoming viable commercially seem reasonable. ASRY might be thought to have got off to a late start, but not until March 1972 that Sir Alexander Gibb in partnership with the Portuguese company Profabril, were appointed consultant engineers. They studied the optimum size of dock in relation to future VLCC dimensions, and recommended a dock capable of accommodating vessels up to about 450,000 DWT.

Lisnave of Portugal, the largest and most experienced VLCC repair yard in Europe, has signed a management contract for the operation of ASRY, thus providing a high standard of international expertise.

Construction of the project began in August 1974 when the Dutch company Falco, specialists in dredging and reclamation, moved in to raise from the sea a seven kilometre long causeway ending with an artificial island of 450,000 square metres, out of which the dock basin has been carved. The causeway begins at the fishing village of Hidd at the tip of a thin promontory at Bahrain's north-east corner and runs along a reef to a point close to a natural water depth of 12 metres—more than adequate for VLCCs.

Causeway and dockyard area are now ready and the dock

basin, a vast cavity 375 metres long by 75 metres wide is in the final stage of de-watering for which the Portuguese company of Cavaco is responsible.

Viewed at its present stage, it would seem impossible that the dock could be finished by the target date of July 1977. But an observer might well not realise the dedication, the enthusiasm and the capacity for work of which the South Korean company of Hyundai, who last October won the actual construction contract worth \$150m., is capable.

Mr. Majid Jawad Al Jishi, chairman of ASRY and also Bahrain's Minister of Public Works, Electricity and Water, says that the Hyundai Group won the contract by a very wide margin. Competitors included Tarmac, John Howard and Philip Holzman of West Germany who are constructing Bahrain's new power-house and desalination project. Mr. Jishi says, "We were much impressed by Hyundai's presentation of their tender, their efficiency in negotiation and their obvious ability to mobilise the resources of the companies in their group. They have already demonstrated that what they can do in a single month is almost incred-

ible."

Mr. Jhoon Shyn Kim, 40, who is managing-director of the Hyundai effort here says: "We not only think we will meet our deadline. We will and we must. Hyundai hope to expand in the Gulf and throughout the Middle East. This is our initial, crucial test. It is imperative that we show what we can do."

Mr. Kim added: "In 1973, when the group decided to go into super-tanker building it had not even built so much as a dinghy before. We did not then have a dock. So that March we began our shipyard. We started building a 250,000 dwt. tanker exactly a year later with a total Korean work force of 1,200 in mind, work was begun before the dock was completed. We delivered the tanker in December 6. Four weeks later we began our accomodation for 500 men. That was two years seven months from the admittance in an uncompromising

CONTINUED ON NEXT PAGE

## Infrastructure

EN

project. After four years of detailed study, construction for increased terminal building is in progress. A third phase begins early next year with the construction of a cargo apron and cargo terminal—coupled with a further extension of the passenger terminal.

The only future elaboration of the network envisaged is the same size as the Isle of Wight, does not have a road where the Saudi Arabia building problem of anything reaching the Bahrain line of the present network was traced in the early 1990s soon.

Ralph

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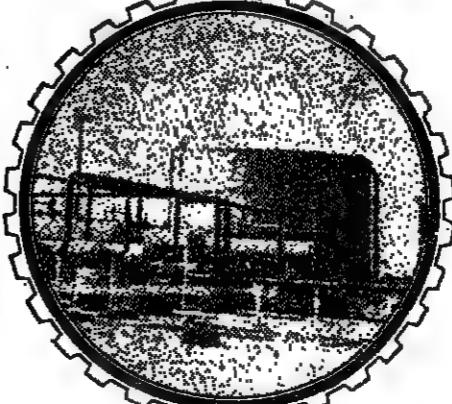
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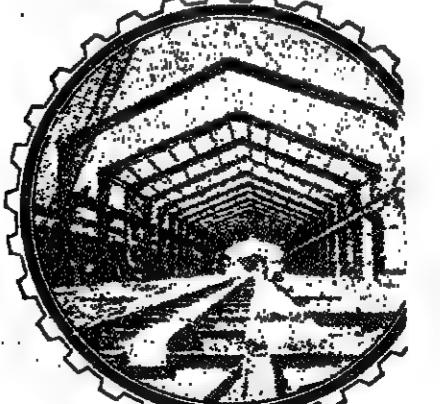


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## BAHRAIN X

Steady progress is being made towards a complete welfare state structure. Education and medical care have been free for over 50 years and poverty has all but been eliminated. Subsidies and price controls have been introduced to combat the spiralling cost of living. Emphasis has been put on education for some time and considerable advances are being made.

# Social welfare

BAHRAIN IS not yet a welfare state, but steady progress is being made. Education and medical care have been free for over 50 years and poverty has all but been eliminated. Subsidies and price controls have been introduced to combat the spiralling cost of living. Emphasis has been put on education for some time and considerable advances are being made.

Hundreds of people who missed out on earlier schooling have seized the second chance offered by adult literacy centres all over the island, while vocational training with the co-operation of the UNDP and ILO aims to improve the job prospects of unskilled and semi-skilled workers. An improved pension plan for government employees came into force last October, and a nationwide social security scheme is now before the Cabinet.

Faced with an unprecedented rise in the cost of living, the Government has introduced subsidies and controlled the prices of essential commodities such as rice, sugar, bread, meat and vegetable oil. Nevertheless a recent survey indicates that nearly half the average family's budget is spent on food, with accommodation the next most expensive item. The newly established Ministry of Housing takes in terms of 1,000 system-built houses a year for the lower income groups, and a crash programme for the first 700 has already been launched.

Education was the biggest single item in Bahrain's 1975 budget, accounting for 18 per cent of recurrent expenditure. It is not compulsory but more than a quarter of the island's total population is enrolled in the schools. Although little is done to educate spastic or thus with two years of general education in the intermediate schools, which leads to a well-equipped school for the schools, which leads to the UN advisers have carried out

a preliminary survey of man-power needs for the Ministry of Labour and Social Affairs, and a pilot vocational training scheme has been set up to up-grade 150 masons, carpenters, welders from the existing labour force. Training schools for the dry dock, the State Electricity Department and the basic engineering, automotive hotel and catering industry have been established, while

Government initiatives are

Bahraini doctor—the present Minister of Health, Dr. Ali Fakhr—did not qualify until 1958.

Training for locally recruited male and female nursing staff began ten years earlier, but only recently, with the establishment of the Yousef Kanoor School of Nursing and the introduction of three-year courses in addition to the shorter practical training, have nurses achieved professional status. At present there are more than 100 student nurses, who are not regarded as part of the hospital labour force, and 40 per cent of the trained staff of 500 are Bahraini nationals. Similar programmes have been set up to train pharmacists, laboratory and X-ray technicians and other ancillary staff, but professionally qualified psychiatrists, radiographers, physiotherapists, speech and occupational therapists remain in desperately short supply.

From 1925 clinics were opened in Muharrar and the smaller towns and villages, followed by the first child welfare and health centres. The functions of the Naim General Hospital, which opened in 1940, have now been transferred to Salimanly, which was established as a women's and children's hospital in 1956 and will become the greatly enlarged 850-bed Salimanly Medical Centre in 1977.

At the other end of the scale, there is no Government provision for nursery education, despite the growing number of married women in employment. The Bahrain Red Crescent Society has opened the first day nursery for children of limited income families, and the demand is such that within three months the number of places is to be increased three-fold to 150.

In the health service, which has been allocated about 6 per cent of the annual budget for 1976, the shortage of trained manpower is the principal limiting factor. When the American Mission Hospital opened in 1900, followed shortly

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# The cost of welfare handouts to students

IS should not live on a living. They should be a living. It no jobs the Government other agency should a, which could be re-in-life. old quarrel with the these propositions. The Cabinet has taken in principle that the collection of supplementary benefit by students curtailed, preferably forthcoming Easter when, apart from any the mass registration as unemployed again distort the fine decision, say, and yet sample of the Government come if belated conservatism! It may at, but we cannot be until we know how going to put it into

one is not as easy as. The basic principle supplementary benefits that it should be a for everyone in need. perhaps, saner, unifies would be to look after those of others who had fallen times. In modern person over 16 who tool and who can be without resources as they say among in the social security offspring of a Getty kefeler or Chaplin mately claim support to the possible help from the the nature of the pitfalls (such as unnecessary work), and all that last Easter 92,000 students less even if a student about the appeals machinery.

## Same rates

Leaving aside that deduction, these are of course the same basic, supplementary benefit rates as those that apply to all claimants. They do not look quite so out of place when the recipients are the indigent old, or the long-term unemployed, or others in more obvious distress than students. From the point of view of the genuine poor the benefits are too low. It's partly for this reason that those who value the Welfare State would be reluctant to breach one of its fundamental principles simply in order to stop a few students from taking advantage of it.

They have not always done so. But starting in 1973, and accelerating in 1974, the National Union of Students spread the news with a "know your rights" campaign. Leaflets tell how to claim, where to go, the nature of the pitfalls (such as unnecessary work), and all that last Easter 92,000 students registered as unemployed. On

The results have been dramatic. In the 1973 summer vacation about 28,000 claims were made by students. When a count was made on a chosen day in August some 12,000 were found to be collecting regular payments. This is taken to show that some of the 28,000 claimed in one part of the holiday and others at another time, since there is a tendency for students to seek social security at the start of the long summer break, and at the end, but to work or take a real rest in the middle. In 1974 claims were up by 20,000 to 48,000, and collections on count-day in August rose to 21,000. Last year 120,000 claimed, and the August one-day count registered 64,000.

Figures for the short vacations are even higher. They are not precise: one must base estimates on official practice and the unemployment figures. This is, however, a fairly reliable method, because registering as unemployed is a necessary first step for those who want a welfare payment. If they have worked for some time previously (at least half a year—the rules are complicated) they can usually collect ordinary unemployment benefit on the basis of their contributions. Otherwise, they show willing by registering as work-seekers—and then wait for the supplementary benefit cheques to arrive.

## Increasing

This they are now doing in increasing numbers. It seems that last Easter 92,000 students registered as unemployed. On

the assumption that about a tenth of them were "mature students" with a previous work record and thus eligible for benefit, the likelihood is that more than 30,000 were paid is both politically unpopular supplementary benefit. During

could help people much worse entitled to a fair appraisal of their situation.

The above paragraph is deliberately disjointed; it represents several of the many conflicting arguments that have taken place inside the Government while an inter-departmental working party has been trying to produce an agreed solution. A background refrain, now at its loudest, is "and they mess up the unemployment figures."

days, we will be told, that to teach us about how to handle registering for unemployment students. I have no doubt that when you know there cannot be they would all be better off for temporary work is an abuse of a spell of manual labour during their university years; failing that a financial system that encouraged if not obliged them to seek whatever work was available (including sweeping the streets, or washing dishes, or wrapping parcels) could only be beneficial.

## Incentive

The present grant system does not work: if it did students would not need to claim supplementary benefits. Some do suffer real hardship on inadequate grants. A better system would be one based on loans, in which higher amounts would be available, so that students could live decently. Best of all would be a concentrated effort to spread the ethos of "work your way through college" in this country. Loans could be an incentive: paying back early could be financially attractive. Direct assistance in job-finding during the summer could be increased, if the employment officials were so instructed. And, possibly most powerful of all, the university teachers and the students themselves should be persuaded that "working your way through" is the best way.

Such a package would best be introduced at a time when it could be sweetened by a general rise in grants. This is the view of most of the "user departments" on the internal committee—Education, Employment and Social Security. It is not the view of the Treasury, which wants to keep any increase in student grant this year to within the limits of incomes policy and well below the ceiling if possible. There may be a Government announcement soon but the signals are that the argument is continuing, with only the prospect of the April holiday to act as a spur.

These detailed bickerings aside, the broader question remains. My own feeling is that Chairman Mao has a great deal

## Letters to the Editor

### Engineering

#### IS

resident, Association of Structural

only too sadly made a letter (February 8) Gill, of the Amalgamation of Engineering Institutions, in the Council of the Engineering Institutions were when, we recommend professional engineers should join a union. It additionally unwiseicular unions were for approval or dis-point that some of the time.

box, however, is now seen from Mr. Gill's letter (February 8) with a new catch of some 200,000 attractions was expected.

ed a pity that the term of our society's pressure on its members to have to be in action and its as such unions to try to maintain living standards as the less supported by strong pressure, due to it circumstances of the various making up the CBI that some CBI's are more eager for membership than others.

are, equally, in- of a union, especially to the TUC, their own political is, of course, true build legally opt out political levy but, membership of a a, with or without a strong for poli- another, to them hard for them to do in this so-called age, hardly the bat to hang a man's

sal for some kind of liability has only use CBI, nor the institutions, can sonal services con- and employment by the fact that they are Royal Charter.

is no reason, how these services could be provided by the U.K. Association of Professional Engineers, implicitly new union, by one affiliated to other all other profes-sions, such as the TUC, successfully TUC backing. An important thing to whether we have engineers spread over of unions or in to their needs (in- stance of their profes-sions), is that it will the destruction of which we have had so les.

remember that the CBI are now contri-butarily to our export in the Middle by fall-back in per- our professional ser- not endear us to needed clients.

gate Street,

for- gements

Instone.

cent report by De Trade inspectors important element in elementary Manufacturers. I am also a mem- directed that non- economic theory, is essentially ber of the CBI West London Alan Cornish.

Trade are in an accountant's concept. It does not prevent or correct not tell us how business men have been able

### managerial deficiencies (or delinquencies). I suggest that the requisite preventative or corrective must be sought in another direction.

The contribution of non-executive directors is of necessity confined almost exclusively to attendance at Board or committee meetings, with or without preliminary scrutiny of documents. Inevitably they lack the time and inclination (and often the capacity) to analyse and judge the quality of managerial performance and—decision-making. The same would be true of any variation on the Boardroom theme, whether in the form of two-tier Boards or "worker participation".

The solution, surely, lies in the expansion of the audit function. For a start, should it not be obligatory for all listed companies with trustee status to secure the prior approval of an independent management auditor (who might, but need not be associated with the accounting auditors) and who should be appointed by the shareholders) before incurring non-revenue expenditure in excess of a specified percentage of the latest audited pre-tax profits?

The delay entailed by seeking such approval might lead to some missed opportunities; but it would also protect investors from losses occasioned by jolts de grandeur, or worse.

Ralph Instone  
13, Old Square,  
Lincoln's Inn, W.C.2.

Uninformed nation

From Mr. R. Harris.

Sir—Mr. J. H. Bescoby and Mr. J. D. Hollis (February 5) both draw attention to the general economic ignorance prevailing in this country. I am inclined to share Mr. Hollis's scepticism as to the value of including economics in the general school curriculum, at least for those who leave school at 16. Mr. Bescoby, on the other hand, draws attention to the "ignorance and lack of interest in such matters even among those who, in other spheres, are among the most sophisticated", and here I feel, something could and should be done.

It seems both a great and an unnecessary pity that it should be possible to obtain an honours degree in either arts or science, without learning any economics. It is perhaps an even greater pity that the minority of students that does study economics is taught it largely as a series of academic exercises in geometry. This makes economic theory virtually incomprehensible to those with no aptitude for geometry, and it is often forgotten that even when a student has a marked bent for figures and enough logical capacity to do algebra, he often lacks the ability to carry a diagram in his head which is necessary to do geometry.

I would suggest that a more profitable approach to economics would be through economic history and accountancy. The economic history of the last two hundred years is essentially the story of how technology has changed the physical and social environment, and it is impossible to understand the present day without knowing something about this. The main purpose of studying accountancy is to make the student understand the nature and necessity of the same day as his letter was published. My small family business, without which there can be no investment, but it is also probably the best way of approaching economic theory.

After all the Theory of Marginal Utility, which is the most important element in elementary Manufacturers. I am also a member of the CBI West London Alan Cornish.

really behave, but it tells us how to assess the ability of the CBI they would behave if they were to cater for the small firm as well as the big boys. I must admit maximising profit. This is worth knowing even though in the real world businessmen, like trade union activists are as often moved by vanity and the lust for power as by the desire to make money.

The present shortage of good students in science and technology is a matter of concern to all. It is hardly practical to insist on them studying economics before they enter the University, but whenever possible, they should be encouraged to study economic history as a means of acquiring general literacy, since it can give valuable practice in essay writing and précising. With arts students the matter is easier, because there is no shortage of well qualified applicants for the University places available, and there is no real need for the present degree of specialisation at "A" level.

All applicants could reasonably be required to take a minimum of five subjects, including economic history and either pure mathematics or accountancy, to a standard half way between the present "O" and "A" levels.

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Richard Harris

Flat 8,  
119, Haverstock Hill, N.W.3.

Cheap finance for exporters

From Mr. J. T. Tennen.

Six—in view of the fundamental need of this country to maximise its exports, it is lamentable that the Government does not bring to the attention of exporters, especially the smaller companies, the extremely beneficial rates of Loan Finance which are available.

The ECGD, that somewhat unwieldy sized organisation which freely distributes its stereotype replies, is generally only able to do this in conjunction with a Clearing Bank, to be instrumental in having Finance advanced at rates between 1% and 1.5% above Base Rate.

Few companies, it would seem, have the "know how" to raise Finance on their export business at rates which have been as low as 8 per cent. BELOW Base Rate, and are currently around 7 per cent. These methods, which the Bank of England has indicated are entirely in the national interest, are, it appears, that does study economics is taught it largely as a series of academic exercises in geometry. This makes economic theory virtually incomprehensible to those with no aptitude for geometry, and it is often forgotten that even when a student has a marked bent for figures and enough logical capacity to do algebra, he often lacks the ability to carry a diagram in his head which is necessary to do geometry.

I would suggest that a more profitable approach to economics would be through economic history and accountancy. The economic history of the last two hundred years is essentially the story of how technology has changed the physical and social environment, and it is impossible to understand the present day without knowing something about this. The main purpose of studying accountancy is to make the student understand the nature and necessity of the same day as his letter was published. My small family business, without which there can be no investment, but it is also probably the best way of approaching economic theory.

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important element in elementary Manufacturers. I am also a member of the CBI West London Alan Cornish.

Small firms and the CBI

From the Managing Director

P. Ormiston and Sons

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# COMPANY NEWS + COMMENT

## Manchester Ship down again second half

OPERATING revenue of The Manchester Ship Canal Co. improved from £15.8m. to £16.35m. but pre-tax profit fell from £3.55m. to £1.5m. during the year 1975, after being down from £2.01m. to £0.75m. in the first half.

Stated earnings are down from 41.3p to 30.9p per £1 share at year-end and a final dividend up from 5.87p to 6.08p net lifts the total from £1.8715 to £2.068p, absorbing £476,115 (£446,161).

1973 1974

Operating revenue	.....	18,332,540	15,812,475
Operating profit	.....	3,552,000	1,500,000
Less and less income	.....	1,246,944	1,251,493
Surplus on land sales	.....	1,809,288	1,809,288
Profit sale of inventories	.....	12,464	12,464
Interest, dividends, etc.	.....	172,494	187,490
Pre-tax profit	.....	3,522,515	1,500,595
Tax	.....	585,769	1,005,595
Net profit	.....	1,839,720	1,645,000
Pre-tax dividends	.....	169,589	128,490
Ordinary	.....	169,589	128,490
Retained	.....	623,536	1,063,573
General reserve	.....	5,869,392	7,845,936

### • comment

In the absence of strikes and with the benefit of wage increases, Manchester Ship Canal's operating revenue staged a recovery of nearly a tenth in the second half, to finish 33 per cent. ahead on the year. However, the effects on profitability of rising labour costs and a drop in traffic volume of 14.7 per cent. is clearly reflected in a near halving of pre-tax profits. A sharply lower tax charge, relating to both capital allowances and prior year revenue adjustment, has cut the shortfall at the attributable level to 23 per cent. where the p/e at 170p is 5.3; cover for a yield of 11.8 per cent. would fall from 2.4 times to 1.7 times on a fully taxed basis. Volume is unlikely to recover until late in the current year and the cash crop for the share price (10p) in the last balance sheet has been weakened as a result of sizeable capital expenditures. A gesture similar to Euroferries' bid for Felixstowe is almost inconceivable, and until the terms or scale of the proposals for nationalisation become clearer, share prices, which have been sluggish performers for several months have little to bite on.

## More overseas ventures by Century Oils

A LETTER has been sent to holders of Century Oils proposed alterations in the structure of the group.

Chairman Mr. C. H. Mitchell points out that during the past two years the company has expanded its activities and interests into the collection and refining of used oils, the re-cycling of waste oils for use as fuel together with other associated activities.

In addition, a small company has been established in Australia, and other overseas ventures are under consideration.

## Advance by A.C.E. Machinery

TAXABLE profit of A.C.E. Machinery (Holdings) expanded from £17,089 to £31,891 during the year to September 30, 1975, after being ahead from £101,000 to £165,000 in the first half.

As expected, dividend for the year is 2.75p net, compared with 2.59p.

The tax charge increased from £124,333 to £169,756 and £90,380 (£58,534) is retained.

On a 25 per cent. jump in sales to £2.7m. A.C.E.'s profits have risen by 44 per cent. which amounts to a full recovery plus an advance of £70,000 over the previous peak in 1972-73. Exports have more than doubled and account for two thirds of the turnover growth, while at 50 per cent. sales to the construction industry have obviously been dull. Meanwhile, cash balances boosted by a 52.25m. rights issue last summer, have climbed from £125,000 to £453,000 in the year to last September, and up to around £800,000 currently. So the shares at 75p are backed by nearly 40p per share cash and the yield is 9.8 per cent.

### UNIONAMERICA

Unionamerica Insurance has doubled its capital to £1m. It was established in 1971 to

## Little change at McCleery

PRE-TAX profit, virtually unchanged, at £1.27m. is announced by Belfast-based McCleery L'Amie Group for the year to October 31, 1975.

Earnings per 25p share are shown to have fallen from 5.54p to 5.3p. The dividend total is stepped up from 1.675p to 1.8425p net with a final of 1.08875p.

1974-75 1973-74

Turnover	.....	14,184	13,587
Trading profit	.....	1,362	1,336
Depreciation	.....	346	346
Interest, dividends, etc.	.....	203	203
Profit before tax	.....	1,266	1,277
Tax	.....	358	354
Net profit	.....	908	921

McCleery L'Amie's net assets have been weakened as a result of sizeable capital expenditures. A gesture similar to Euroferries' bid for Felixstowe is almost inconceivable, and until the terms or scale of the proposals for nationalisation become clearer, share prices, which have been sluggish performers for several months have little to bite on.

### • comment

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Interest is payable half-yearly with the first payment of 2.24 per cent. due on July 14, 1976. The loan is to be repaid at par on July 14, 1983. On or after June 10, 1976 the stock may be redeemed into British Cearer, which will be available in various denominations. Bonds will be free of stamp duty.

In his annual statement in September last year, Mr. F. S. Ratcliffe, chairman, reported that the

turnover of the first three months of the current year had increased due to an expansion due principally to changes in seasonal demand for agricultural twine and the present world economic situation. The directors state that turnover for the first three months of the current year had increased due to an expansion due principally to changes in seasonal demand for agricultural twine and the present world economic situation. The directors state that turnover for the first three months of the current year had increased due to an expansion due principally to changes in seasonal demand for agricultural twine and the present world economic situation.

However, there are indications that demand will improve for this product later than normal in the season and that the present shortfall in turnover should be overtaken they add.

## Treasury loan

The prospectus is published to-day in connection with the half-year to October 31, 1975, but pre-tax profit fell sharply from £10,988 to £3,928. For the full year to April 30, 1975 profit was £85,945.

There is no interim dividend, against 0.68p net per 25p share last time. Last year's final was 3.25p.

In his annual statement in September last year, Mr. F. S. Ratcliffe, chairman, reported that the

duty, and the interchange be made without payment of any fee.

Prospectus, Page 23

## Midway rise from Gripperods

AN IMPROVEMENT in pre-tax profit from £280,183 to £242,101 for the half-year to October 31, 1975 is announced by Gripperods Holdings, makers of carpet installation grippers and edging devices.

For the full year 1974-75 profit was £1,021,151.

The interim dividend is 2.2p gross, compared with 2p. Payment has been waived on 10.7m. shares. Last year's total was 3.212p.

Six months 1974 1973

Turnover	.....	2,301,291	1,867,528
Pre-tax profit	.....	262,101	280,183
Tax	.....	177,592	150,125
Net profit	.....	164,309	133,918

1974-75 1973-74

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## COMMITMENTS

Group executive posts at  
Davenports Brewery

I. Silvey has been appointed a director of the Chelmsford District and succeeds Mr. Wood as regional general manager of DAVENPORTS (Holdings) Ltd. and for the East Midlands and East Anglia Region.

Frank has been made managing director and Mr. W. J. Alfred, Mr. G. W. Benge, Mr. M. R. Dugdale, Mr. V. H. H. Hamby and Mr. D. T. Hodge, senior members of MARPLES EDGWAY CONSTRUCTION, have been appointed to the Board. Mr. J. C. Quinton (dean brewer) and F. H. Morris (assistant to director) have been joined to the Board. Mr. J. C. Quinton has joined the Board of J. Long and Sons (Bath), a member company.

Professor Christopher Foster has been appointed director of the F. J. C. LILLEY civil engineering group, the name of one of the divisional companies. A. W. Mr. Dennis Hart, a main Board director, has relinquished the position of managing director of Waddington's and has become chairman of the SUPPLEMENTARY BENEFITS COMMISSION. Professor Foster expects to work full-time at his new post from the end of March. He was a governor of CEF from 1967 to 1969. Since 1970 he has been head of the Centre for Urban Economics at the London School of Economics from which he will be on two years' special leave. He also acts part-time as a special economic adviser to the Department of the Environment.

G. Jones has been appointed director of PORTH BANK.

M. C. J. Buckingham has joined the Board of WIGHAM POLAND SERVICES.

Mr. Robin Byres has been appointed sales director of THOMSON VELLOW PAGES. He was previously commercial director. Mr. Tim Blair has also joined the Board as production director. He was previously general sales manager.

BUNZL PULP AND PAPER (SALES) and Anglo-American Pulp and Paper Co. have announced the following Board changes: and appointments. Because of other commitments Mr. G. G. Bush has resigned from the Boards of both companies but will continue to represent them. Mr. F. J. Duff has been appointed chairman of Bunzl Pulp and Paper (Sales) and Mr. J. D. White becomes chairman of Anglo-American Pulp and Paper Co. Mr. R. A. Bell has resigned from the Board of Cigarette Components and joins the Board of Bunzl Pulp and Paper (Sales). Mr. D. E. Eggle has been appointed a director of Bunzl Pulp and Paper (Sales) and Mr. C. E. Knott a director of Anglo-American Pulp and Paper Co. These changes are from February 16.

Mr. Geoffrey K. Rowe has been appointed director of HEY AND CROFT. Mr. Geoffrey King has become a director of HEY CROFT INVESTMENTS.

Mr. D. W. Savage, managing director, Ashton Containers, has been appointed chairman of the FIBREGLASS PACKING CASE MANUFACTURERS' ASSOCIATION. Mr. D. W. McLean, managing director, DRG Newton-Packaging, and Mr. G. C. Parsons, managing director, Board Products, have been made vice-chairmen. Mr. D. W. Payne, secretary of the Association since 1962, retires at the end of February, and is succeeded by Mr. N. L. Stobart.

Mr. R. E. Field, who has been acting as chief executive of SADIA AIRCOOLERS since last September, has become managing director. He has also joined the Board of the parent company, Sadia. He retains his directorship in Heatrae-Sadia International but has resigned from the Boards of Heatrae, Heatra, Heatra Catering Equipment, and Sadia Water Heater.

Mr. W. W. Burrows has been appointed senior director of ROBERT JENKINS (HOLDINGS) Ltd. He joins the group from the Plessey Company.

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## COMPANY NOTICES

OLYMPUS OPTICAL COMPANY, LTD.  
(OLYMPUS KOGAKU KOGYO KABUSHIKI KAISHA)  
G. WARBURG & CO. LTD., as Depository, announces that a dividend of 3 per cent on Common Shares of Yen 50 has been paid to shareholders of the above Company as at 31st October, 1975 in respect of the months period from 1st April, 1974 to 31st October, 1975. As a result of the currency depreciation of the Yen 40 which occurred during the Exchange ruling on 3rd February, 1976 Yen 30.04 = U.S.\$1 produced 1,975 per Depostitory Share.

Upon adding the Yen 30.04 amount brought forward from the last dividend with paragraph 12 of the Share Depository Receipt, this will be paid at the following rates per Depostitory Share:

Yen deduction of 15% Japanese Withholding Tax = U.S.\$0.17  
Yen deduction of 20% Japanese Withholding Tax = U.S.\$0.20  
Yen deduction of 25% Japanese Withholding Tax = U.S.\$0.2275 per Depostitory Share; which will be paid to the holders of Depostitory Receipts for payment of coupon 6 which becomes payable on 1st February, 1976 to S. G. Warburg Ltd., Cannon Department, St. Albans House, Goldsmith Street, EC2P 2DL, or at the office of any of the undermentioned Sub-agents, at the rates of Japanese Withholding Tax and interest (if any) as the appropriate rates. Details of tax deductions may be had from the Depository or Sub-depository.

## SUB-DEPOSITARIES

Bank of Tokyo Ltd.  
Bank of Tokyo Ltd.  
Bank of Tokyo Ltd.  
Bank of Tokyo Trust Company,  
Bank of Nederland N.V.,  
Banque Generale du Luxembourg S.A.

February 1976.

ALLMANNA SVENSKA ELECTRISKA  
AKTIEBOLAGET A.S.E.A.

US\$ 30,000,000 8 1/2% Bonds 1986  
is hereby given to bondholders of the above  
that the amount redeemable on March 1, 1986  
US\$ 1,000,000 was bought in the market.  
outstanding: US\$ 27,000,000.  
The Law Debentures Corporation Limited,  
al Paying Agent: Kredietbank S.A. Luxem-  
bourg, Luxembourg.  
February 10, 1976.

## TRACTS AND TENDERS

REPUBLIQUE ALGERIENNE  
DEMOCRATIQUE ET POPULAIRE  
MINISTERE DE L'INDUSTRIE  
ET DE L'ENERGIEREPRESES ALGERIENNES DE  
GRANDS TRAVAUX  
A.L.T.R.A.

## a SONATRACH Subsidiary

International Invitation to Tender No. 01/76  
tation to tender has been launched for the supply

(four) 100-ton cranes on caterpillar wheels  
(one) 300-ton crane on caterpillar wheels  
les interested in the above may obtain tender  
its from the Département d'Approvisionnements Stocks,  
114 rue de Tripoli, HUSSEIN-DEY, Algiers,  
together with the usual required documents  
in a double sealed envelope clearly marked:  
par ouvrir—Soumission Appel d'Offres No. 01/76  
ture de:  
to be opened—Tender No. 01/76—Supply of:  
autre) grue de 100 tonnes sur chenilles  
our) 100-ton crane on caterpillar wheels  
ne) grue de 30 tonnes sur chenilles  
ne) 300-ton crane on caterpillar wheels.  
RA, 2 boulevard Mohammed V, ALGIERS (Algiers)  
February 28, 1976, at the latest.  
are binding for a period of 90 days.  
der not complying with the above requirements will  
aken into consideration.

## ENTERTAINMENT GUIDE

## ERA &amp; BALLET

01-336 3161;  
M. NATIONAL OPERA  
100,000 Seats  
The Auditorium, Tel. 5-320  
5,000 Seats at 10%  
Discounts. Subscribers will be  
available.

## ROYAL OPERA 1056

Mrs. 7.30 Cavalier's  
Performance. Seats available  
at Cellini. Seats available

## ROYAL BALLET

Alone, a Monda in The  
Country, Life Syncopation,  
re, a New Hit African  
Musical.

PULSATING MUSICAL. Mrs.  
Final of Tours on BBC TV.

## KING'S ROAD THEATRE

252 7482;  
The KING'S ROAD THEATRE  
"BEST MUSICAL OF THE YEAR".

## LYRIC IN BENTON

01-437 3886;  
"Miles' Story" exceptionally fine,  
"More good laughs, than any other play  
in town".

## MERMAID 248 7556; Food 248 4508

Evening 8.30;  
"Richard Beckinsale in  
"Foolish Fun".

## WEMBLEY THEATRE

01-437 6312;  
"Twice Nightly at 7.00 and 9.00.  
2nd SENSATIONAL YEAR".

## WINDMILL THEATRE

01-437 6372;  
PAUL RAYMOND presents  
"Twice Nightly at 7.0 and 9.00.  
2nd SENSATIONAL YEAR".

## WINDSOR THEATRE

01-437 7373; Last week  
Tues. 6.30, Thurs. 8.00, Sat. 6.15  
For 3 weeks only. Tel. 01-833 4851.

## YOUNG VIC 01-583 5833.

01-583 5833;  
"The Young Vic". See 10.

## THEATRES

ATRE 01-356 7514;  
WILLING THEATRE 2.00.

## ANGELA BADDELEY

THE NIGHT MUSIC  
THEATRE 01-520 1000;  
See Tel.

## ADM 6404; Info. 018 5333.

01-520 0000; Seats 8.00 and 9.15  
Feb. 8.00 and Feb. 15

7.30, 8.15, 9.15, 10.30 a.m., 1.30  
IV. 10.30 a.m., 1.30, 2.30, 3.30, 4.30  
1.30, 2.30, 3.30, 4.30, 5.30, 6.30, 7.30

## THEATRE IN THE ROUNDHOUSE—See 10.

## S. 836 1774; Mrs. 8.00

## AS A SANDBAG

DEATH OF A SALESMAN;  
Don't Give It a Dog's  
TICKET 437 2685.

ALD. PICKIN' IN  
THEATRE IN THE

AN AYBURN  
MUSICAL  
OF THE YEAR 1974—  
standard Drama Award.

## I TOGETHER 01-356 7514

TOGETHER; Torn, 3.0.  
1.30, 2.30, 3.30, 4.30, 5.30, 6.30

## RE CLUB 018 2122.

01-520 0000; Seats 8.00,  
9.00, 10.00, 11.00, 12.00, 1.30

## CITY SUGAR

REOPENING; Seats 8.00,  
9.00, 10.00, 11.00, 12.00

## REVIEW 01-356 7514

REVIEW; Seats 8.00,  
9.00, 10.00, 11.00, 12.00

## NEW MUSICAL

RAWFORD A WHIPPING  
NEW MUSICAL  
HE AND HIS SHOW ARE  
TOURIST EXPRESS

## 6. 8.24; Evening 8.00.

## 7. 8.25; Evening 8.00.

## 8. 8.26; Evening 8.00.

## 9. 8.27; Evening 8.00.

## 10. 8.28; Evening 8.00.

## 11. 8.29; Evening 8.00.

## 12. 8.30; Evening 8.00.

## 13. 8.31; Evening 8.00.

## 14. 9.1; Evening 8.00.

## 15. 9.2; Evening 8.00.

## 16. 9.3; Evening 8.00.

## 17. 9.4; Evening 8.00.

## 18. 9.5; Evening 8.00.

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## 83. 10.39; Evening 8.00.

## 84. 10.40; Evening 8.00.

## 85. 10.41; Evening 8.00.





## STOCK EXCHANGE REPORT

## Absence of strong Gilt prop takes equities lower

Share index down 8.1 at 399.6—Golds steady

## Account Dealing Dates

First Declarer—Last Account Dealings: Tions Dealings 5 Feb. 17 Jan. 26 Feb. 5 Feb. 17 Feb. 9 Feb. 19 Feb. 20 Mar. 2 Feb. 23 Mar. 4 Mar. 5 Mar. 16

"New time" dealings may take place from 7.30 a.m. two business days earlier.

Stock markets began the new year yesterday with quite a sharp setback in British Funds and equities.

Gilt were again adversely affected by the official hint that the fall in interest rates is over for the time being, while the rise in the Wholesale Price Index for January was also an unsettling factor. Long-dated stocks sustained fresh losses extending to 11 and short-dated issues recorded falls ranging to 1. The Government Securities market, which rose 0.50 million to 63.34, or 1.57 off of the 1975-76 peak of 63.21 (ouched seven trading days ago).

Apart from the weakness in Gilt, equities were further weakened by talk of another large fund raising exercise from the Banking sector. Leading industrials fell quite sharply at the outset. This was reflected in the FT 30-share index, which recorded a loss of 7 points at the 9 a.m. calculation. Prices continued to dip, however, the loss was extended to 8.7 at 3 p.m., but a small technical rally in the "after-hours" left the index 8.1 down on balance at the close of 399.6.

## Gold Gilt flat

Second-line issues followed in the wake of the leaders, although week-end Press mention produced a few bright spots. Falls led rises by 4-1 in FT quoted Industrial, while the FT-100 index All-Shares index lost 1.8 per cent. to 166.84. Official markings of 8.149 compared with 7.131 last Friday and 8.801 a week ago. The Bank of England's signal

showing concern about the speed of the recent fall in interest rates was a major depressant for Gilt yesterday. Friday's surprise issue of a new "1976" 10% via a further £500m. trache of Treasury 121 per cent. was also tended to dampen enthusiasm with the result that opening quotations were as much as 11 lower, despite being 1 or so above the day's low. The losses were concentrated at the longer end which came under a fair amount of pressure including switching shorter, a factor that contributed to a contrasting tendency among the shorts. These were volatile on occasions, but many issues often regained opening losses to close mixed, despite the January wholesale price indices and the possibility of a further slight rise to-day in U.S. Treasury bill rates.

Extremely quiet conditions in the investment currency market were reflected in a constant rate, the premium closing unchanged at 1.123 per cent. Yesterday's SE conversion factor was 0.6000 (0.5999).

In Recent Equities, Hughes Tool reacted 2 to 139.9, while recent firmness on the good results.

## Home Banks weak

After last Friday's dullness on the 27th, "rights" offer accompanying the preliminary results from Lloyds Bank, Home Banks retreated afresh yesterday to close with falls extending to 13, partly reflecting nervousness over the possibility of Barclays or National Westminster also producing "rights" issues. Both fell 1.5% to 243p, after 242p, while Midland lost 1.3 to 238p and National Westminster 1.2 to 250p.

Bank of Scotland, 303p, also lost 1.2, while National and Commercial declined 4 to 178p. Among Overseas issues, Standard and

Chartered receded 6 to 170p, but

Hongkong and Shanghai Banking, awaiting today's preliminary results, held steady at 248p after last Friday's fall of 15. Discount Houses were generally lower, with Cater Ryder losing 10 at 275p.

Marshall (Halifax), 180 xd. Red Lion finished 3 easier at 162p after news of the American acquisition. Against the trend, Mears Bros. moved up 3 to 38p. Dealings were suspended yesterday in Javel Properties (at 144p) pending the winding down of the company.

ICI remained on a downward track, closing 5 cheaper at 375p, after 374p; the preliminary figures are expected February 19. Elsewhere, Fisons declined 12 to 388p.

## Newman Inds. retreat

Electrical leaders followed the general downturn. ENI receded 6 to 251p and Thorn Electrical closed 8 cheaper at 245p, after 246p, while reactions of around 4 were sustained by GEC, 151p xd. and Rayrolle Parsons, 110p. Plessey fared the best and ended only a penny easier at 76p, after 75p. Elsewhere, Newman Industries were a particularly dull market, retreating 7 to 58p following the dismissal of Mr. Angus Atabay from the Board over a draft report on last year's company deal with Thomas Paine and Gladstone China, in which dealings were suspended last October at 32p. Deans reacted 7 to 250p xd. and the "A" 5 to 248p, while Pethow, 160p, Racal Electronics, 230p, and BSK, 111p, all lost 4. However, favourable Press comment stimulated interest in Dale Electric, 3 higher at 156p. Wholesale Fittings hardened 2 to 155p.

Stores closed with some fairly substantial losses, "Grosvenor" A, featured with a fall of 8 to 213p, while House of Fraser, 85p, and Debenhams, 80p, shed 3 apiece.

Burton "A" lost 4 to 50p xd. and British Home Stores declined 9 to 238p, while modest losses were sustained by Marks and Spencer, 152p, W. H. Smith, 170p, and Sainsbury, 124p.

Buildings joined in the general downturn. R. Costain remained a dull market, losing 3 at 211p, while similar losses were sustained by Marchwiel, 117p, and

Mothercare and Currys both of which closed 3 cheaper at 162p and 120p respectively. A. Henry and Overseas Investments 14 higher at 51p. Unilever gained 5 at 56p and Thomas French 4 at 57p.

Motors and Distributors had a modest feature in EKF, which moved up 5 to 30p in response to Press comment. Flight Refuelling were similarly influenced at 35p, up 3. Dimples, however, closed a penny cheaper at 77p despite good results from the South African subsidiary, while losses of around 2 were sustained by Brown Bros, 151p, and Fodens, 19p.

Early profit-making in Thompson was absorbed and the close was only 1 easier at 247p, but other Newspapers were quiet and lower where changed. Elsewhere, Lowe and Brydone remained under pressure, losing 3 more to 23p.

The most notable occurrence in Oils was British Petroleum's continued resistance to a generally easier trend, a development which brought a close of 2 higher at 320p. This further small support was 20p cheaper, with fresh selling from Shell, 6 down at 215p and Esso, which gave up 2 at 43p. Among overseas issues, domestic market influences lowered Woodside-Burnali 8 to 123p and Sunningdale 23 to 35p. Stibbe (U.K.), 113p, and J. Sainsbury, 124p. Against the trend, W. H. Smith, 170p, and Brydone remained under pressure, losing 3 more to 23p.

Foods continued to drift easier on small selling. Tate and Lyle lost another 4 at 276p, while Brooke Bond, 41p, and Spillers, 43p, shed a penny apiece.

Reflecting the coal war dispute, Associated Fisheries eased 1 penny to 27p, while Dairies were lowered 3 to 308p, while losses of 3 were sustained by United Biscuits, 113p, and J. Sainsbury, 124p. Against the trend, J. E. England hardened 2 to 24p with the help of Press comment.

Hotels and Caterers had an easier time. J. Lyons "A" gave up 3 at 145p, while Grand Metropolitan, 82p, and Trust House Forte, 128p, shed 2 apiece.

## Channel Tunnel up

After an early retreat, selling of the miscellaneous industrial leaders subsided and prices held fairly steady at the lower levels for the rest of the day. Beecham recorded a loss of 8 at 340p, while Unilever closed 6 down at 465p. Elsewhere, Channel Tunnel moved ahead to 80p before ending a net 10 higher at 85p on Press suggestions that the project could soon be restarted with work to be started on 240p and MEPC 8 to 35p, while British Land gave up 2 at 331p. London Bridge Securities were a firm exception in secondary issues at 21p, up 1 penny, but Lagavale Estates, following news of the delay in publishing the accounts, rose 11 to 175p, Arthur Properties eased 11 to 175p awaiting to-day's preliminary figures.

Berkeley Rambo relinquished 8 at 388p, while losses of 5 occurred in Great Portland Estates, 233p, Haselemer Estates, 205p, and Hammerton "A," 375p. Regional Properties, 44p, and "A," 41p, both eased about 2 more, still reflecting the poor interim results.

Overseas Traders remained in quiet trading, although Town and City Properties finished only a fraction higher at 223p, while 21p, and English Electric, 141p, after 140p. Land Securities shed 4 to 165p and MEPC 8 to 35p, while British Land gave up 2 at 331p. London Bridge Securities were a firm exception in secondary issues at 21p, up 1 penny, but Lagavale Estates, following news of the delay in publishing the accounts, rose 11 to 175p, Arthur Properties eased 11 to 175p awaiting to-day's preliminary figures.

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## FT SHARE INFORMATION SERVICE

** BRITISH FUNDS									
1975	High	Low	Stock	2	+	-	Int.	Yield	Red.
<b>"Shorts" (Lives up to Five Years)</b>									
981	92	91	Treasury 5pc 1976	98.5	-	-	5.58	9.98	
94	97	96	Treasury 4pc 1976	92.5	-	-	4.94	—	
102	96	95	Treasury 10pc 1976	108.5	-	-	10.48	9.22	
97	84	83	Treasury 5pc 1977	97.5	-	-	5.44	9.26	
96	84	83	Electric 3pc 76-77	96.5	-	-	3.11	6.38	
103	96	95	Treasury 11pc 1977	102.5	-	-	11.26	6.92	
94	84	83	Treasury 3pc 77-78	92.5	-	-	3.20	6.88	
93	84	83	Transport 4pc 77-78	93.5	-	-	4.28	7.80	
47	90	89	Treasury 5pc 1978	97.5	-	-	9.24	10.42	
100	94	93	Treasury 10pc 1978	100.5	-	-	10.47	10.34	
92	79	78	Exchequer 5pc 76-78	91.5	-	-	5.44	7.50	
103	94	93	Treasury 11pc 78-79	102.5	-	-	11.21	10.50	
86	73	72	Treasury 3pc 79-80	86.5	-	-	3.45	7.20	
87	73	72	Electric 4pc 79-80	87	-	-	4.88	8.48	
100	94	93	Treasury 10pc 79-80	99	-	-	10.41	10.79	
99	95	94	Treasury 10pc 1979 A	99	-	-	10.61	10.80	
86	71	70	Electric 3pc 76-79	86.5	-	-	4.96	7.78	
95	84	83	Treasury 5pc 1980	95.5	-	-	9.41	10.35	
25	89	88	Treasury 5pc 1980	95.5	-	-	9.97	10.91	
26	93	92	Treasury 5pc 1980	95.5	-	-	9.97	10.92	
36	68	67	Treasury 5pc 77-80	85.5	-	-	4.10	7.49	
87	71	70	Funding 5pc 78-80	86.5	-	-	6.05	8.99	
103	94	93	Treasury 11pc 1981	102.5	-	-	11.24	10.87	
<b>Five to Fifteen Years</b>									
86	66	65	Treasury 5pc 79-81	85.5	-	-	4.16	7.02	
91	72	71	Do 5pc 80-82	91.5	-	-	9.39	10.68	
107	86	85	Treasury 12pc 1983	101.5	-	-	11.70	11.47	
79	55	54	Funding 5pc 80-82	78.5	-	-	7.01	9.41	
86	61	60	Treasury 5pc 81-83	85	-	-	10.10	11.10	
74	51	50	Funding 5pc 80-82	73.5	-	-	7.07	10.93	
77	53	52	Treasury 7pc 80-82	75.5	-	-	10.35	11.67	
51	32	31	Transp. 3pc 80-82	49.5	-	-	6.10	10.38	
54	34	33	Treasury 5pc 80-82	57.5	-	-	8.73	11.43	
102	96	95	Treasury 13pc 1983	99.5	-	-	12.22	13.25	
75	53	52	Treasury 8pc 80-82	73.5	-	-	11.39	12.39	
<b>Over Fifteen Years</b>									
60	41	40	Funding 5pc 81-84	59	-	-	10.27	12.17	
99	25	24	Treasury 12pc 82-85	96	-	-	13.37	13.45	
97	83	82	Treasury 12pc 83-85	94	-	-	13.43	13.54	
—	—	—	Am. A/c	E75.5	-	-	13.12	13.21	
58	40	39	Funding 5pc 1983-84	53.5	-	-	12.61	12.61	
75	54	53	Treasury 5pc 84-86	72.5	-	-	12.71	13.29	
36	24	23	Funding 5pc 85-87	35	-	-	8.78	11.64	
102	75	74	Treasury 12pc 85-87	97.5	-	-	13.55	13.56	
75	54	53	Treasury 5pc 85-88	69.5	-	-	12.89	13.36	
35	26	25	Do 5pc 86-88	33.5	-	-	9.18	11.72	
100	84	83	Treasury 13pc 87-89	97.5	-	-	13.69	13.71	
101	88	87	Do 15pc 87-89	99	-	-	13.73	13.73	
59	33	32	Treasury 5pc 1987-89	66.5	-	-	13.01	13.44	
59	40	39	Treasury 5pc 88-90	55.5	-	-	12.64	13.33	
75	54	53	Treasury 5pc 1989-90	72.5	-	-	13.25	13.52	
35	26	25	Funding 5pc 88-90	29.5	-	-	11.82	12.74	
100	84	83	Treasury 13pc 1990	97.5	-	-	13.40	13.55	
102	88	87	Do 15pc 1990	97.5	-	-	13.23	13.58	
50	34	33	Treasury 4pc 82-84	57.5	-	-	13.52	13.58	
<b>Undated</b>									
29	22	21	Consol. 4pc	28.5	-	-	13.96	—	
27	20	19	War Loan 3pc	26.5	-	-	13.42	—	
28	22	21	Consol. 3pc 81 A/c	27.5	-	-	13.21	—	
24	17	16	Treasury 3pc 85 A/c	23	-	-	13.42	—	
19	14	13	Consol. 2pc	18.5	-	-	13.67	—	
194	14	13	Treasury 5pc	15.5	-	-	13.78	—	
27	22	21	Do 5pc 82-84	21.5	-	-	14.05	—	
22	15	14	Do 3pc 80 A/c	21.5	-	-	14.05	—	
24	17	16	Midas 5pc 75-77	92.5	-	-	6.75	10.56	
73	64	63	Do 5pc 83-86	78.5	-	-	10.46	12.44	
69	76	75	Newcastle 5pc 78-80	59	-	-	10.46	12.44	
101	94	93	Warwick 15pc 1980	101	-	-	12.37	12.17	
<b>** INTERNATIONAL BANK</b>									
72	58	57	Stock 77-82	72.5	-	-	6.90	11.09	
99	91	90	Stock 1976	93.5	-	-	8.10	10.58	
<b>** CORPORATION LOANS</b>									
89	20	19	Burnham 5pc 70-81	28.5	-	-	10.57	12.57	
60	87	86	Bristol 6pc 75-77	96.5	-	-	6.74	10.26	
93	82	81	Essex 5pc 75-77	93.5	-	-	5.88	9.81	
95	82	81	Gl. C. 6pc 1976	98.5	-	-	6.85	9.81	
102	92	91	Do 7pc 1977	95.5	-	-	7.63	10.70	
78	63	62	Merle 5pc 76-80	78.5	-	-	6.70	11.84	
94	81	80	Merl. 6pc 77-81	94.5	-	-	7.41	10.77	
89	71	70	Do 5pc 80-84	86.5	-	-	11.60	13.01	
26	17	16	Do 3pc 1976	25	-	-	14.12	—	
90	77	76	Lon. Corp. 5pc 75-76	89.5	-	-	7.26	11.42	
83	66	65	Do 5pc 84-85	82.5	-	-	11.69	13.26	
61	78	77	L.C.C. 5pc 75-76	90.5	-	-	6.61	11.25	
75	59	58	Do 5pc 77-81	74.5	-	-	7.57	12.68	
65	48	47	Do 5pc 82-84	65	-	-	8.50	12.34	
40	40	39	Do 5pc 85-87	57.5	-	-	9.66	13.81	
60	42	41	Do 6pc 88-90	57.5	-	-	11.77	13.78	
22	15	14	Do 3pc 80-82	21.5	-	-	14.05	—	
82	82	81	Midas 5pc 75-77	92.5	-	-	6.75	10.56	
73	64	63	Do 5pc 83-86	78.5	-	-	10.46	12.44	
69	76	75	Newcastle 5pc 78-80	59	-	-	10.46	12.44	
101	94	93	Warwick 15pc 1980	101	-	-	12.37	12.17	
<b>COMMONWEALTH &amp; AFRICAN LOANS</b>									
89	84	83	Aust. 5pc 74-76	98.5	-	-	6.18	10.44	
91	80	79	Do 5pc 75-78	91	+14	-	6.15	11.66	
81	66	65	Do 5pc 77-80	51.5	-	-	6.82	12.10	
74	58	57	Do 5pc 81-82	74.5	-	-	7.60	12.21	
85	71	70	Do 5pc 82-85	85.5	-	-	4.70	10.73	
86	54	53	Do 5pc 85-88	85.5	-	-	5.20	12.55	
92	92	91	Do 5pc 1977	93.5	-	-	9.64	13.10	
95	92	91	Do 10pc 1976	99	-	-	10.32	13.40	
24	15	14	Int. Water 3pc B	23.5	-	-	12.63	14.30	
84	54	53	U.S. C. 5pc 1982	84	-	-	10.25	12.25	
81	53	52	Do, without Writs	81	-	-	11.23	14.01	
87	76	75	Ukrainian 5pc 75-78	97	-	-	8.22	13.20	
<b>LOANS (Misc.)</b>									
47	36	35	Agrie. M. 5pc 78-80	67	-	-	10.57	13.69	
74	55	54	Alcan 10pc 79-84	74	-	-	14.32	14.70	
100	94	93	TFP 19pc 81	194	-	-	13.05	13.98	
107	94	93	Do 19pc 1978	105.5	-	-	13.65	13.10	
79	55	54	ICPC 5pc 82-83	54.5	-	-	14.77	15.25	
95	92	91	ICPC 5pc 83-84	93.5	-	-	9.64	13.10	
92	92	91	ICPC 5pc 84-85	93.5	-	-	9.64	13.10	
102	92	91	ICPC 5pc 85-86	93.5	-	-	9.64	13.10	
75	53	52	Chesapeake 51	50.5	-	-	11.36	13.13	
124	77	75	Chesler 5pc	124	-	-	16	—	
31	19	18	Chemp 54	27.5	-	-	11.36	13.13	
805	330	329	City Inv. 51-53	72.5	-	-	6.66	13.13	
107	75	74	Do 5pc 81-83	16.5	-	-	12.20	—	
26	17	16	Do 5pc 81-85	25	-	-	14.12	—	
90	77	76	Lon. Corp. 5pc 75-76	89.5	-	-	7.26	11.42	
83	66	65	Do 5pc 80-82	65	-	-	11.69	13.26	
35	17	16	Cresco 5pc 73-75	34.5	-	-	12.20	13.21	
20	10	9	Cummins Eng. 5pc	19.5	-	-	12.20	13.21	
24	14	13	Cutter-Hammer 55	25.5	-	-	11.60	12.61	
76	44	43	Exxon 5pc 50-53	75.5	-	-	5.00	13.21	
21	20	19	Firestone Tire 5pc	20.5	-	-	11.10	12.26	
104	115	114	First Chicago 5pc	16.5	-	-	12.55	13.29	
38	36	35	Ford Motor 5pc	29.5	-	-	6.00	13.18	
42	22	21	GM 5pc 73-75	41.5	-	-	5.20	13.28	
28	18	17	GATX 5pc	24.5	-	-	5.20	13.25	
44	21	20	Gen. Elect. 5pc	43.5	-	-	5.20	13.21	
124	105	104	Goodyear 5pc	11.5	-	-	11.20	12.20	
74	55	54	Goodyear 5pc	55	-	-	12.20	13.20	
100	94	93	Goodyear 5pc	55	-	-	12.20	13.20	
107	94	93	Goodyear 5pc	55	-	-	12.20	13.20	
79	55	54	Goodyear 5pc	55	-	-	12.20	13.20	
81	53	52	Goodyear 5pc	55	-	-	12.20	13.20	
87	76	75	Goodyear 5pc	55	-	-	12.20	13.20	
<b>FOREIGN BONDS &amp; RAILS</b>									
1975	21	20	ASA	26.5	+14	-	8.00	—	1.4
49	45	44	AMP 5% Conv. 37	45	-	-</td			



